

NEWS SUMMARY

GENERAL Yard in race move on crime figures

Scotland Yard said victims of more than half of London's robbery and violent theft cases last year claimed the assailant was coloured.

U.S. bans Libyan oil imports President Reagan banned all U.S. imports of Libyan oil and gas.

Reagan visit move Labour leader Michael Foot will meet Mrs Thatcher today to stress his party's opposition to Britain's invitation to President Reagan to address a joint session of Parliament.

Norad 'faults' A U.S. Congressional report said the North American nuclear attack warning system Norad had "severe and potentially catastrophic deficiencies."

Trident verdict The Cabinet is expected to approve today a plan to buy Trident 2 nuclear missiles from the U.S. to replace the Polaris system.

UDA men jailed Three UDA men were jailed for life at Belfast Crown Court for murdering Irish independence Party member John Turley in 1980.

Amnesty post American Janet Johnstone will be next director of Amnesty International's British section.

Hijack trial opens Forty-three alleged mercenaries who went on trial in South Africa denied hijacking an airliner after November's failed coup in the Seychelles.

Nurse suspended A nurse was suspended on full pay pending an investigation of his conduct when he killed seven patients at a Surrey mental hospital in October.

Soldier dies A soldier died after apparently being blown off a ridge in high winds on an endurance test in the Brecon Beacons.

Cave boy rescued A boy aged 12 was rescued from a flooded Derbyshire cave after six hours trapped in an air pocket with water up to his neck.

Caught napping A Naples military court gave 16 soldiers suspended sentences of between 10 and 18 months for sleeping through a Red Brigades raid on a barracks.

FINANCIAL TIMES The Financial Times apologises to readers who did not receive a copy of the paper yesterday.

Table with columns: RISES, FALLS, and various market indicators like Driedfontein, EZ Inds, etc.

Now Government starts thinking about next year's Budget

Sharp cuts in public spending planned

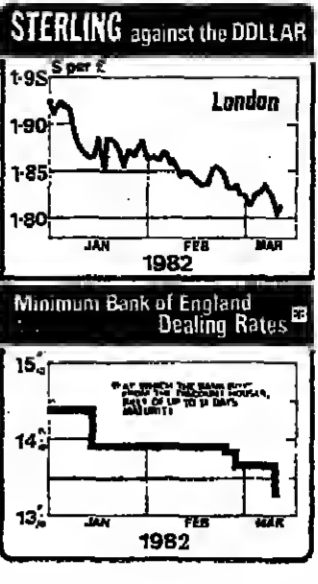
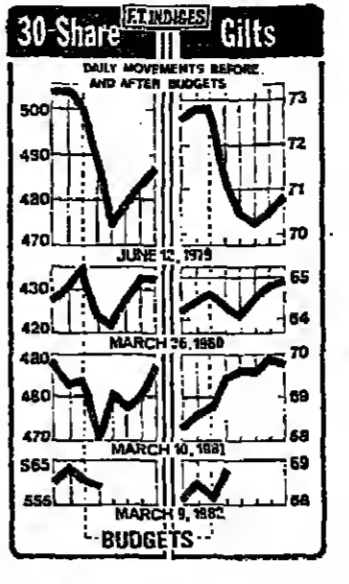
BY MAX WILKINSON AND JOHN ELLIOTT

THE GOVERNMENT plans a sharp cut in public spending in real terms in 1982-83 during the run-up to the next election. It became clear yesterday that Tuesday's Budget was not intended to lay the ground for a tax-cutting bonanza next March to sweeten the electoral pill.

Commons row over tax claims

BY PETER RIDDELL, POLITICAL EDITOR

A COMMONS row erupted last night over government claims that individual taxpayers would be better off in the coming financial year.



Israelis warn on Sinai deadline

ISRAEL threatened last night not to complete its final withdrawal from Sinai next month if the differences with Egypt over the demarcation of their international border have not been resolved.

Bank cuts market intervention rates

BY DAVID MARSH AND WILLIAM HALL

THE Bank of England yesterday signalled that it would like to see interest rates lower following Tuesday's budget by cutting its money market intervention rates by up to 2 of a percentage point.

With only 40 days before the final Israeli evacuation of eastern Sinai, Egypt and Israel still disagree over where the border should run in 15 different points along the international frontier.

Tube Investments £23m loss

BY GARETH GRIFFITHS AND JEREMY STONE

TUBE INVESTMENTS, one of the largest engineering companies, lost £23.1m before tax in calendar 1981, the first annual loss in the company's history.

CONTENTS

Table of contents listing various articles and their page numbers, including Profit sharing in the U.S., Lombard: David Fishlock on misjudgments, etc.

ADVERTISMENT

Advertisement for Ferranti Electronics Limited, featuring New Power MOSFETs and Computer Aided Instructional System.

NEWS REVIEW

Advertisement for Ferranti Computers for British Steel, highlighting more computers and microprocessors.

Advertisement for Ferranti Selling technology, stating 'The good news is Ferranti Selling technology'.

كندا في لندن

OVERSEAS NEWS

High-powered Soviet defence team for India

BY K. K. SHARMA IN NEW DELHI

MR. DIMITRI USTINOV, the Soviet Defence Minister, is to lead a high-powered military mission to India next week. The delegation, travelling with Mr. Ustinov, a senior member of the Soviet Politburo, will include the chiefs of the Russian navy and air force and the deputy army chief.

A number of senior Soviet generals are also expected to join the delegation, which begins its visit in the wake of a deterioration in India's relations with Pakistan and reports of intensified fighting between Soviet occupying troops and rebels in Afghanistan.

The Indian Government has not announced the Soviet delegation's visit. New Delhi is likely to want to keep it low key because of the repercussions of the visit of such a high-level Soviet defence mission could have on relations with Pakistan and the U.S.

Air Force commander in Damascus for talks

BY HSIAN HIJAZI IN BEIRUT

A VISIT to Damascus by Marshal Pavel Kutchakov, the commander of the Soviet Air Force and Deputy Defence Minister, has strengthened speculation that Moscow may have grown more responsive to Syria's demands for new military equipment.

The state-controlled Syrian news agency, Sana, said Marshal Kutchakov met General Mustafa Tlas, the Syrian Defence Minister, and Air Vice Marshal Soheil Haddad, the Air Force commander, on Tuesday.

Inscrutable approach to future of Hong Kong

BY TONY WALKER IN PEKING

MR JOHN BREMRIDGE, Hong Kong's Financial Secretary, now on a visit to China, chose a quaint metaphor to describe the continuing Chinese commitment to the prosperity of the British colony.



Mr Fraser

Fraser's popularity plummets

By Patricia Newby in Canberra

THE POPULARITY of Mr Malcolm Fraser, Australia's Prime Minister, has slumped by 5 per cent on the eve of a crucial Federal by-election in Sydney.

According to the results of a Gallup poll published yesterday, Mr Fraser's personal popularity was 32 per cent while that of Mr Bill Hayden, the Labor opposition leader was 40 per cent.

The by-election, on Saturday, will be a test not only for Australia's two major political groups, but for their leaders.

If, on the other hand, Labor fails to win the two elections or does not win a convincingly large swing away from the Government, Mr Hayden may be challenged for the party leadership by Mr Bob Hawke, the popular former president of the Australian Council of Trade Unions.

The Sydney seat of Lowe has been held for 33 years by the Liberals, and has become vacant by the retirement of Sir William McMahon, a former Prime Minister.

Although the Liberals expect to lose Lowe, they are hoping to keep the swing to under 5 per cent. Given the normal "protest" vote at by-elections, this would leave Labor unable to claim a major victory.

Jordan cracks down on West Bank villages

BY DAVID LENNON IN TEL AVIV

ISRAEL'S attempt to create a pro-Israeli Palestinian leadership on the occupied West Bank is being seriously threatened by a Jordanian warning that any West Bankers who join Israeli-sponsored organisations will face treason charges which can carry the death penalty.

Israel has recently been offering money, influence and weapons to any Palestinians willing to establish and join associations of villages in various areas. Jerusalem is hoping to create an alternative leadership to the elected mayors of the main towns, who are all outspoken nationalists.

range from death sentences to confiscation of property," proclaimed the order issued by Mr Mudar Badran, the Jordanian Premier and Defence Minister.

There are now six village leagues, five of which have sprung up in the last four months following Israeli development aid and travel and trade permits.

The municipalities' aid has at the same time been blocked and their requests for permits refused.

After the leader of the Ramallah village league was assassinated last November the Israeli authorities have also provided arms and training for over 200 league members.

Mr Mustafa Dardain, head of the first league which was founded in Hebron in 1978, said

appealing to Amman against the new order, which he described as Jordanian "terrorism" against the West Bank population "which knows where its interests lie."

Meanwhile there were widespread disturbances throughout the West Bank yesterday, which has been the scene of anti-Israel and anti-French protests since the visit to Jerusalem last week by President Francois Mitterrand of France.

Israel hopes for nuclear power station by 1990

BY OUR TEL AVIV CORRESPONDENT

ISRAEL HOPES to have its first nuclear power station operating by the end of the decade if it can find a country willing to supply the equipment. The decision to ask France to supply a nuclear reactor is clear evidence that Israel's efforts to find a supplier have met with little success so far.

company Westinghouse for the purchase of two 950 MW nuclear generators, but the deal was vetoed by then President Jimmy Carter.

there is considerable doubt that the U.S. Congress would accept this, given that Israel is generally believed to have already developed nuclear weapons, using the two nuclear research plants it received from the French over 20 years ago.

Israel's position on the non-proliferation treaty and others because the company does not want to risk being placed on the Arab black list.

However, the Canadians have made it abundantly clear that they will not sell the Candu system to Israel.

Kenya forecasts 4% growth but troubles continue

BY MICHAEL HOLMAN IN NAIROBI

THE KENYAN economy, once the showpiece of Africa, is facing continuing pressure on its balance of payments and foreign reserves, in spite of a slight improvement in its trade deficit last year.

growth in the economy in 1982 - although that will barely keep pace with the country's soaring 3.9 per cent population growth rate.

The heavy cost of energy imports and weak markets for Kenya's major commodity exports - coffee and tea - have resulted in persistent current account deficits for the past four years, and reduced the level of foreign reserves to £168m by the end of 1981.

factor in the trade deficit. The review notes that there was "some improvement" in the economy compared with the poor record in 1980.

External trade figures for the nine months reflect government import restrictions. The value of imports fell from £686m to £656m, while exports rose 5 per cent to £304m.



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AMERICAN NEWS

Caracas 'offers secret oil discounts'

BY KIM FUAD IN CARACAS

VENEZUELA'S Government has been accused of offering secret discounts to purchasers of light and medium crude oil. The accusation was made during a parliamentary debate in Caracas on the world oil glut which has forced Venezuela to lower petroleum prices and exports.

place light and medium crudes. He said the discounts were being held in escrow accounts in offshore countries to be disbursed as soon as the Organisation of Petroleum Exporting Countries officially lowered the price of its marker crude.

around \$2.2bn (£1.22bn). Sr Humerto Calderon Bertl, Energy Minister, said that the previous Action Democrática administration had given similar discounts in 1978 and 1979 to sell crude due to marketing problems.

reent official figures Venezuelan oil production is running under 1.5m barrels a day or 400,000 b/d less than the 1982 output goal of 2.2m b/d. Exports are a little over 1.5m h/d, 250,000 h/d below the 1982 goal.

Brazilian regime to quit 312 companies

By Our Rio de Janeiro Correspondent

THE BRAZILIAN Government is to sell its minority interest in 312 privately controlled companies. It is also rigorously pursuing a plan to rid itself of a large number of state-controlled companies.

World Airways calls for return to fares regulation by CAB

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

WORLD AIRWAYS OF THE U.S., one of the earliest exponents of low fares, has become the first airline publicly to ask for a return to at least partial regulation of fares by the U.S. Civil Aeronautics Board.

get caught in this ruinous web by insisting they will not be undersold. The resulting rate war could be disastrous for all," said World.

Norad 'beset by faults'

By Reginald Dale in Washington

THE NORTH American nuclear attack waring system (Norad) is beset by "severe and potentially catastrophic deficiencies," a U.S. congressional report said yesterday.

The House of Representatives Government Operations Committee said that false alarms of a Soviet nuclear attack which occurred three times in 1979 and 1980, could be given again by obsolete computers, despite encouraging steps taken to correct the immediate causes of past defects.

The computers are also vulnerable to breakdown during which no warning could be given in the event of a real attack. The committee's report blamed bureaucratic foot-dragging by the Joint Chiefs of Staff and the Air Force said Pentagon promises to improve the system had remained largely unfulfilled.

Nicaragua denounces U.S. claims

BY ANATOLE KALETSKY IN WASHINGTON

THE CRISIS in U.S. relations with Central America intensified yesterday as the Nicaraguan Government flatly denied U.S. claims that Soviet military advisers were assisting in a massive build-up of armed forces which goes "far beyond any defensive need."

parliamentary delegation would go to El Salvador today in the last stop of a regional tour that included Cuba.

Jimmy Burns adds from Buenos Aires: Argentina is reported to be willing to provide El Salvador with ground attack aircraft, ammunition and rifles.

GM-union talks about to resume

By Paul Betts in New York

GENERAL MOTORS, the largest U.S. car-maker, and the United Auto Workers are expected to resume emergency negotiations on a new GM labour contract tomorrow.

The UAW said yesterday it had agreed to resume talks if the union's 290 member GM council voted in favour of returning to the bargaining table today.

GM and the UAW broke off negotiations on a new labour agreement at the end of January largely because the union's rank and file felt the car-maker was offering inadequate terms in return for union wage and benefit concessions.

But since the collapse of the GM contract negotiations, there has been a dramatic change of sentiment among GM workers.

Argentina risks N-rift with U.S.

BY JIMMY BURNS IN BUENOS AIRES

ARGENTINA IS risking a serious rift with the U.S. over nuclear proliferation, after reaffirming its right to develop an atomic bomb for "peaceful purposes."

"utterly false" that his country was using nuclear fuel for the construction of atomic explosives. Their "usefulness for peaceful purposes" had not been demonstrated yet.

U.S. that Argentina might be close to being able to make its own nuclear weapons.

Mexico has high hopes of further increase in exports of crude

BY MARTIN DICKSON, RECENTLY IN MEXICO CITY

MEXICO, now the world's fourth-largest oil producer, is expecting to increase its crude exports again this year despite a world oil glut and with most producing countries facing falling sales.

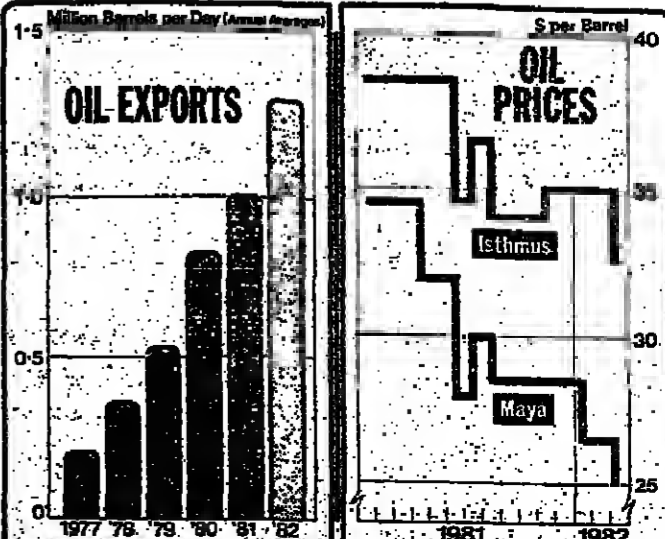
comfort from the fact that its annual crude oil exports have been rising more or less steadily since the country's decision in the mid-1970s to become a substantial international supplier. Exports rose from an average 533,000 b/d in 1979 to 625,000 b/d in 1980 and 1m b/d last year.

buyers wishing to diversify their sources of supply, provided it keeps its prices competitive.

for example, were depressed by 10 days of bad weather which affected loadings.

positions from a number of other potential clients which it has not accepted.

on soft credit terms. However, Sr Escobedo revealed that one country—Honduras—was having problems with the heavy crude and was not expected to continue lifting. Mexico has been having difficulties of its own during the past six months in getting payment from financially troubled Costa Rica and Nicaragua.



Guatemalan protest thwarted

BY OUR LATIN AMERICA CORRESPONDENT

THE THREE civilian aspirants to the Guatemalan presidency have lost their bid to challenge Sunday's allegedly fraudulent victory by General Anibal Guevara, the nominee of Gen Rómulo Lucas, the present Head of State.

candidate, Sr Alejandro Maldonado, have protested against what they called Gen Lucas' attempts to falsify the results.

will become more competitive. Bankers say they do not believe the Bank of Mexico has enough reserves at the moment to sustain a much lower rate.

Canada urged to curb car intake from Tokyo

BY VICTOR MACKIE IN OTTAWA

THE CANADIAN motor industry has urged the Ottawa Government to restrict the Japanese share of the new car market to 15 per cent and its share of the new truck market to 8 per cent for a period of two years, starting on April 1.

day will try to sell the industry import policy to Japan is not clear.

So far, Mr Lumley has been non-committal about the recommendation, saying only that the Government is examining it.

This recommendation on imports policy was put forward at a meeting of Government industry and union leaders. Mr Ed Lumley, the Minister of Trade, has talks in Tokyo with the Japanese Government next week.

Iraq, Saudi Arabia and Kuwait were keen buyers of British wool textiles and Saudi Arabia has emerged as the most important single market in volume terms, displacing Japan.

Saudi Arabia takes a large number of worsted goods from the UK. While West Germany, Italy, France, Canada and the U.S. are strong buyers of woolen goods only Japan and the Irish Republic are dominant buyers of worsted cloths.

In 1981 Japanese imports captured 23 per cent of the Canadian new car market and 11.7 per cent of the new truck market. But whether Mr Lum-

India move to acquire ships at cost of £299m SHIPPING CORPORATION OF India, the country's largest shipping line, has submitted a detailed plan for acquiring 21 new ships totalling 606,000 mt at a cost of Rs 5bn (£299m) by 1983, writes K. K. Sharma in New Delhi.

This was announced by Mr N. S. Mahida, the new chairman of the corporation.

He said that the corporation had not yet ordered any new ships although the country's sixth five-year plan ending in 1985 provided for Rs 8bn for the purchase of 47 ships of a total 1.23m grt.

This was because the corporation felt that orders should not be placed when the shipping trade was in recession, Mr Mahida said.

Gloom faces Europe's polyethylene producers

BY SUE CAMERON, CHEMICALS CORRESPONDENT

A GLOOMY FUTURE for Western Europe's polyethylene plastic producers is forecast in a report published by Chem Systems, an international consulting and research group.

Indian move to acquire ships at cost of £299m SHIPPING CORPORATION OF India, the country's largest shipping line, has submitted a detailed plan for acquiring 21 new ships totalling 606,000 mt at a cost of Rs 5bn (£299m) by 1983, writes K. K. Sharma in New Delhi.

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The report predicts a dramatic change in world polyethylene trading patterns over the next 10 years, with new producers in the Middle East taking away much of the business.

Over the next decade, according to Chem Systems, the Middle East will go from being a net importer of around 100,000 tonnes a year of low and linear low polyethylene to becoming an exporter of some 750,000 tonnes a year.

Chem Systems believes that some 20 per cent to 25 per cent of Middle Eastern polyethylene production in 1990 is likely to be sold into Western Europe.

The currency has depreciated 42 per cent since it was allowed to float freely against the dollar three weeks ago. The peso is currently trading at about 45-46 to the dollar.

By maintaining a high exchange rate, it is argued, capital outflows will be reduced. The drain on the tourism account caused by the massive increase in Mexican's spending on holidays abroad will be lessened and non-oil exports

will become more competitive. Bankers say they do not believe the Bank of Mexico has enough reserves at the moment to sustain a much lower rate. The drain on the tourism account caused by the massive increase in Mexican's spending on holidays abroad will be lessened and non-oil exports

will not do so until the peso stabilises. But bankers say that National Financiera, the state development bank, has been used on two occasions to push up the exchange rate by buying dollars.

The Government yesterday announced further measures to stabilise the economy. Companies which have been hit hard by the peso's fall will be able to claim up to 43 per cent of their foreign exchange losses through tax relief.



Gen Anibal Guevara:

UK NEWS

BCal's Gatwick to Los Angeles route set for May

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE British Caledonian Airways service to Los Angeles is to begin early in May. There will be six flights a week, using DC-10-30 tri-jets.

Details are being completed following Mr John Biffen, the Trade Secretary's decision on Tuesday to exempt the airline from normal licensing procedures.

British Caledonian had asked for the exemption to allow it to fly the route for at least six months this summer. It aims to ensure that the British market share is not lost to American competitors.

Application
The Civil Aviation Authority last week refused to grant the exemption. It felt it would preempt normal licensing procedures, particularly the application from Borepage, set up by Sir Freddie Laker, to have the former Laker Airways' licence, granted to it.

Mr Biffen disagreed with the aviation authority after a direct appeal from British Caledonian. He accepted the airline's view that someone should fly the Gatwick-Los Angeles route, pending settlement of who should be the permanent licence holder.

This matter is to be discussed at public hearings starting in London on May 4. Those proceedings are likely to be long and, in the meantime, the route would have been left vacant and open to American competitors.

Mr Biffen feels that, provided British Caledonian is ready to give up the route if the aviation authority eventually decides on another airline, it can operate an interim service to keep the British flag flying.

British Caledonian believes it can do this from May 1 to October 31, and make money. It thinks its case to become a longer-term licence holder is so strong that it will be awarded the route by the authority after May's public hearings.

British Caledonian will complete its plans within the next few weeks. These include additional staff in Los Angeles—where there is a sales office—and arranging for the handling of its aircraft there, as well as starting a sales promotion campaign to win passengers in the UK and the US.

Staff from the airline flew to Los Angeles yesterday to put the plans into effect. Advertising will start almost immediately, and the airline is confident that when flying starts it will attract good loads.

Farnell to invest £200,000 in factories

By Nick Garnett, Northern Correspondent

A MEDIUM-SIZED electronics company is to invest the equivalent of £200,000 to set up small factory units, partly to attract high-technology companies which may form a trading partnership with it.

The Farnell Electronics group is receiving no financial assistance for the scheme, at Boroughbridge, North Yorkshire. Its manufacturing arm, Farnell Instruments, has decided that such a programme of nursery-unit building can provide an acceptable return on capital for itself as well as encouraging the growth of small companies in an area with weak industrial infrastructure.

The cost of the project, supported by the local authorities, includes the value of the land which Farnell bought three years ago.

Initially there will be seven factory units—ranging from 1,300 to 2,400 sq ft—built adjacent to Farnell's own plant. Further land is available for more units, which will be rented.

Reasonable
Mr Eric Hall, deputy managing director of Farnell Instruments, said the scheme would provide a reasonable return on capital.

"We'll look at anyone who wants to take up the units but we are especially interested in high-technology companies who could help us and we could help them," he said.

"We are convinced that companies like us can provide a great deal of help to small companies through projects like this."

Farnell Instruments, which sought the advice of North Yorkshire County Council before going ahead with the scheme, specialises in industrial control units, equipment for stabilising power supplies and testing transmitters and receivers. The group had a turnover of £30m in the last financial year.

The Council is trying to encourage other companies in the area to follow suit. Some undertakings in other parts of the country have established small factory units as an investment opportunity for their own pension funds.

A fillip to document exchanges

Jason Crisp looks at a new trend

THE RAIL strike gave a fillip to the fast-growing phenomenon of document exchanges which compete with the Post Office. While the strike was on traffic between exchanges rose by a third.

A few local document exchanges were set up, mainly by lawyers, because of the postman's strike in 1972. Most closed. The British Telecommunications Act passed last year has given the exchanges a boost. It allows them to transport mail in bulk between each other. Previously, this had been prohibited because of the Post Office's statutory monopoly.

Before the Act was passed there were two in London and one each in Birmingham, Edinburgh and Glasgow. There are now more than 70 and several more are being opened each month. They are also linked to a document exchange in Dublin and Brussels.

Nearly 1,500 law firms are using document exchanges and several hundred companies—including insurance companies, accountants, stockbrokers and surveyors—have joined. How does a document exchange work? Each company or organisation has its own locked box at its local document exchange which has a slot in it like that of a letter box.

Company messengers have a key to the box and come and collect any mail from it some times several times a day. At the same time they put documents for other firms into their boxes—each company has a

box number which they are encouraged to put on letter headings. There is also a directory of members and their box collection times.

The British Telecommunications Act gave the opportunity to send documents to organisations at other exchanges, including their own subsidiaries. Each night couriers in station wagons start collecting from the outer exchanges and converge on the main London document exchange at about midnight.

In the meantime, mail for the regions from London will have been sorted for each courier's run back to the outer exchanges. The documents from the regions also have to be sorted and the couriers set off from London at 2.30 am and should have reached the outermost exchange before 9 am.

The first commercial document exchange was started in London in 1975 just off Chancery Lane. Driving force behind the exchanges is Pauline Lyle-Smith, an extrovert Australian solicitor who arrived in Britain in 1974 after practising law for four years.

She was surprised to find there were no exchanges in general use as they were common in Australia. She approached the Law Society for backing. "They very kindly and gently told me they could not back a commercial venture," she said.

But, supported by Holborn Law Society and the financial

backing of a marketing executive, the London Document Exchange was formed and in six weeks had 100 members. It is now the hub of other exchanges and is where all the sorting is done.

A second document exchange was opened in the City at the end of 1978. It is mainly used by insurance brokers, insurance companies, stockbrokers and accountants and has 400 members.

Since it became legal to transmit documents between exchanges the numbers have grown rapidly. Outside London each exchange is unannounced, with the members having a key to the exchange as well as their own box.

The London Document Exchange was taken over in November 1980 by the Hays Group, formerly Hays Wharf. Miss Lyle-Smith says: "We're very happy about it. We clearly needed a big company to give us the financial and management backing needed to take full advantage of the opportunity offered by the British Telecommunications Act."

She believes the potential is enormous. More stockbrokers in the regions are joining because the Stock Exchange collects from the City document bureau. She believes there is considerable potential from chartered surveyors and other professions such as medicine.

Clearly, as the system grows and involves more exchanges further afield, the administra-



and management problems will increase.

The cost of using the system varies. For a big insurance company sending large volumes—often with quite large packages which don't go into the boxes—it can cost up to £800 a year. For a small firm of solicitors it is £280 a year.

The expansion of document exchanges into a network, centred on London, has made Miss Lyle-Smith more sympathetic to the Post Office. "When a document fails to turn up the first reaction is for people to blame you. As our system is very simple it is very easy to check where a document is and usually we find it is not our fault."

The Post Office need not worry too much. The exchanges deal with a few thousand documents a day. The Post Office collects 34m letters from 100,000 post boxes and delivers to 22m establishments each day.

Ward and Goldstone to shed 286 cable workers

BY NICK GARNETT, NORTHERN CORRESPONDENT

WARD AND GOLDSTONE, the general electrical group, is shedding 286 jobs in its cables operation, which it says is necessary to secure the future of the 800-strong division.

The redundancies at its plant in Salford, near Manchester, are also linked with the decision by the company to move cable manufacturing to the Trafford Park enterprise zone in the city.

Mr Michael Goldstone, managing director of the group, which employs more than 4,000, mainly in Lancashire, said the company wanted to start up at Trafford with the right at-

sphere and the right manning levels.

The company has been investigating domestic cable manufacturing in Scandinavia, West Germany and other parts of Europe. "In comparison we are non-starters at this stage. We would have had to shut down unless we became more efficient," he said.

The company has made productivity improvements already. It has not been making any profit in its cable-manufacturing operations. Ward and Goldstone has job vacancies elsewhere in the group and expects many of those to be taken up by workers from the Salford plant.

Call to limit time in prison before trial

BY LISA WOOD

A TIME limit for imprisonment before trial, bringing England and Wales into line with Scotland, was proposed yesterday by the National Association for the Care and Resettlement of Offenders.

Ms Vivien Stern, director of the association, said Scotland's 110 day rule, under which a trial must start within 110 days of a defendant's committal in custody, provided a valuable safeguard for defendants by preventing inordinate delays.

Her remarks coincide with a debate, to be held today by the House of Commons standing

committee on the Criminal Justice Bill, on an amendment which would introduce a similar rule to England and Wales.

If adopted, the measure would not significantly reduce the prison population, one reason being that time on remand in custody counts towards a prison sentence. However, Ms Stern said the proposal would not only prevent delays in prison where conditions were "a national scandal" but would also improve the quality of justice as cases heard would be fresher in the minds of witnesses.

Jobless offered extra cash for community service

UP TO £14 a week more is being offered to the jobless in Scotland if they are prepared to do voluntary work in the community. The money, £2 a day, would be paid as expenses and would not affect unemployment benefit.

The Carnegie United Kingdom Trust has been given £400,000 by the Government to set up an unemployment voluntary action fund. At the trust's annual meeting in Dunfermline yesterday, the Countess of Albeny, chairman, described the fund as a "palliative" to unemployment.

Later, Mr Geoffrey Lord, secretary, said: "The purpose of the fund is not to provide jobs or wages but to assist un-

employed people who wish to engage in voluntary activities."

The Government made the grant of £400,000 for one year only but Mr Lord hinted that other charitable trusts, including the Carnegie United Kingdom Trust, were not debarred from contributing their own resources to the fund after that time.

The trust, which made record grants totalling £551,000 to 70 organisations during the year, is also setting up a national inquiry into the arts and disabled people.

An important part of the investigation will be to find ways to prevent the work of the disabled being separated from the general activity of the arts.

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PUBLIC NOTICE

NATIONAL SAVINGS CERTIFICATES TWENTY THIRD ISSUE

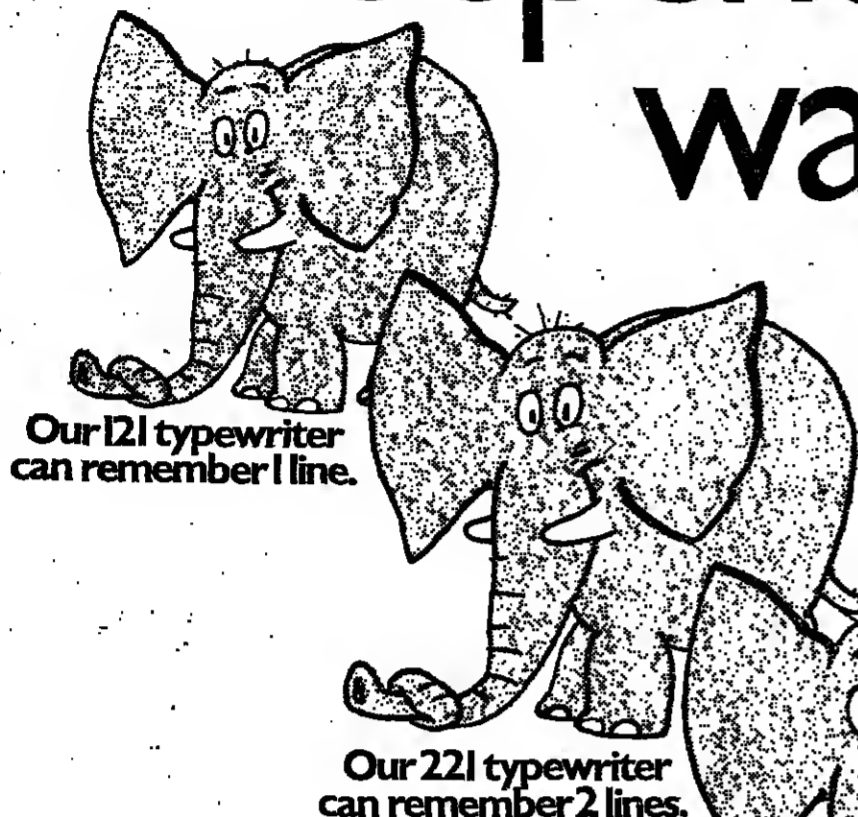
The Chancellor of the Exchequer has announced that sales of the 23rd Issue National Savings Certificates would cease from the close of business on Wednesday 10 March 1982. This certificate issue is therefore no longer on sale.

A 24th Issue Certificate, details of which will be announced later, will be introduced as soon as possible.

The withdrawal from sale was due to the reduction in other interest rates since the issue was launched. The 2nd Index-Linked Issue will remain on sale.

DEPARTMENT FOR NATIONAL SAVINGS

Whether you need a typewriter or a word processor depends on how much you want to remember.



print it perfectly, as many times as she wants.

The start of something big.

These features alone are worth the extra money (and if it's any interest to you, the 221 is seen as the 'hot' machine inside Olivetti).

But if you want a typewriter that can store even more inside you have only to look at our 231. It can remember seven pages. And print half as fast again as its smaller brother.

It will show you pages of type exactly as they'll appear.

You can add or take away single words or entire paragraphs and the machine will compensate, re-space and print the new version, holding the original until you wipe it.

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Storage space costs money whether it's in a warehouse, a typewriter or a word processor, and the more you pay, the more you get.

For example, you can lease our 121 for as little as £5 a week.

The 221 for £7.50 a week.

The 231 for £10 a week.

Whereas the 351 with the outside memory store will set you back around £15 a week. And the ETS 1010 under £30 a week.

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It might help you choose if you stop thinking of typewriters and word processors as different animals.

Instead, try seeing them as different sizes of the same animal. With different sizes of memories.

So that some, for example, can store a short phrase like 'yours sincerely.'

While others can memorise the complete works of Shakespeare.

Let's start with a guided tour of our basic model, the Olivetti 121, and work up.

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The first thing you'll notice is how quiet it is. Like someone typing in a cupboard.

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The 121 can store a line of type.

It can't print it back for you, but it can correct any or all of the characters you instruct it to.

It's bigger brother is called the 221.

The growing memory.

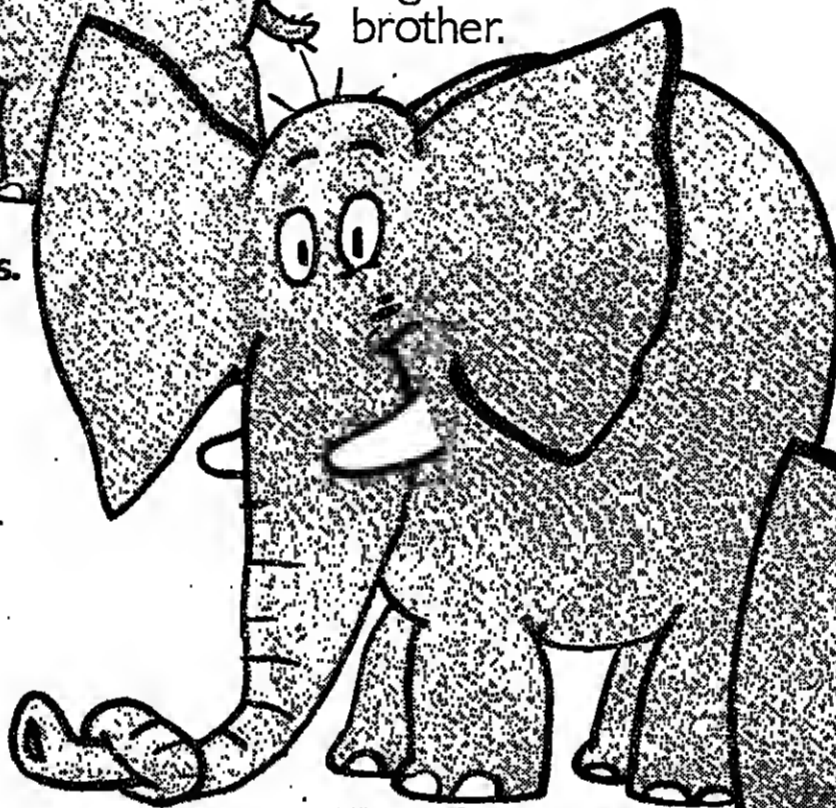
It can memorise two lines or 100 words. What's more, it'll show them to you on a visual display panel before it prints them.

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With equal precision it will justify a line to the right hand margin, to give a neat edge like a book's, not a ragged one like a letter's.

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Our new 351 word processor can remember 64 pages.

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The machine will type them for you at over 250 words a minute, with different names and addresses on standard letters, so that each seems individually written.

Even this Leslie Welch of a machine, however, is surpassed by something better, the ETS 1010.

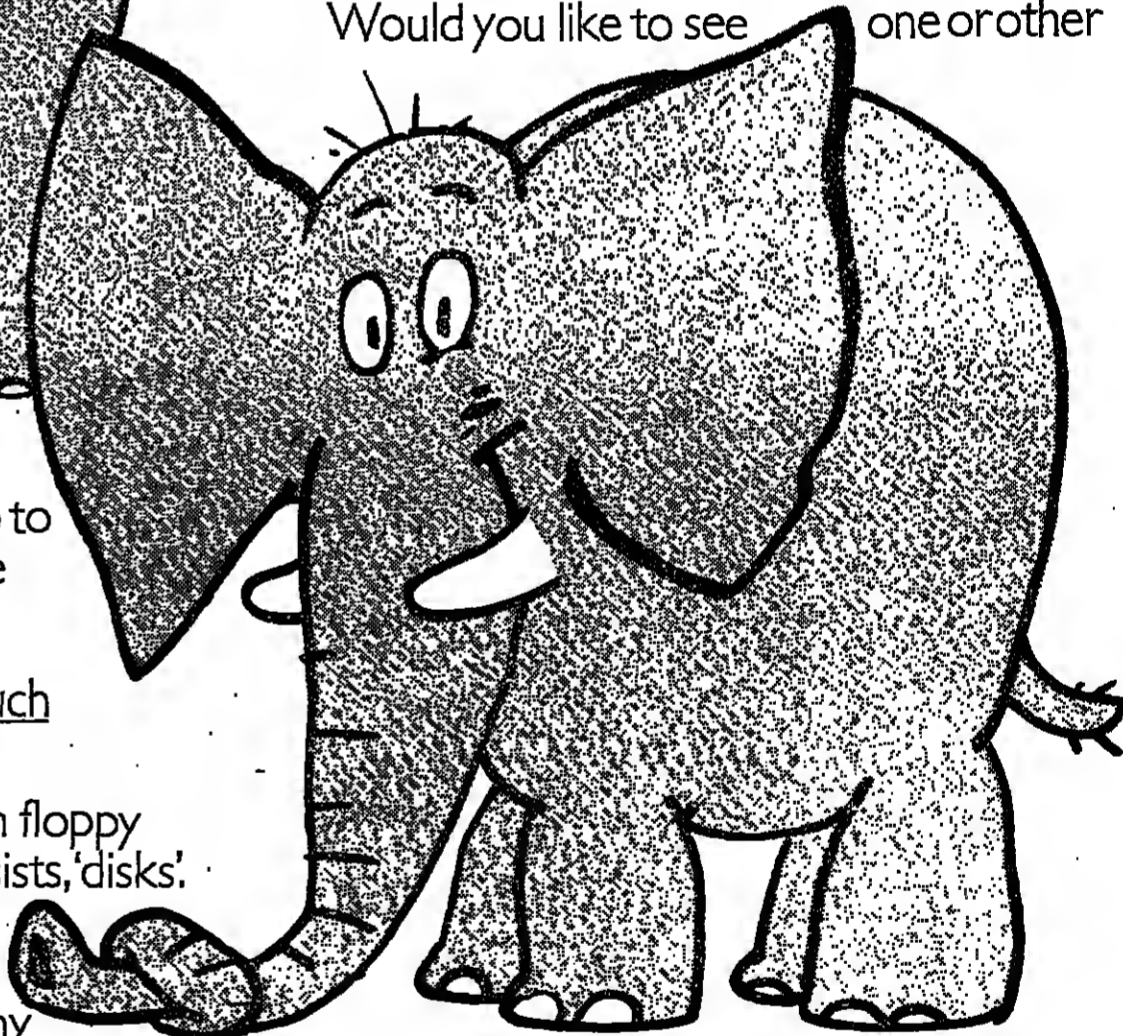
Our Jumbo-sized memory.

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Machines your secretary will already know and feel at home with.

If you like, you can buy the typewriter part first and add the word processing part later.

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Word processing

UK NEWS

THE BUDGET

Cabinet approval for Trident 2 purchase expected today

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

THE CABINET is expected to approve today a plan to modernise Britain's strategic nuclear deterrent by the purchase of Trident 2 missiles from the U.S.

City analysts give general welcome to economic recovery measures

BY DAVID MARSH

SIR GEOFFREY HOWE'S Budget measures, designed to produce modest economic recovery and single-figure inflation this year, were given a general welcome by City economic analysts yesterday.

Families bear brunt of increases as gas pricing policy shifts

BY SUE CAMERON

GAS PRICE rises for domestic consumers are racing ahead of those for industrial users. For the first time in years, UK householders will soon be paying more per therm than manufacturers.

Clive Jenkins to be axed from board of BNO

BY RAY DAFTER

MR CLIVE JENKINS, the white-collar trade union leader, is being dropped from the board of British National Oil Corporation.

Warning on smaller N. Sea oil fields

BY RAY DAFTER, ENERGY EDITOR

OFFSHORE operators warned yesterday that some small North Sea oil fields might still be left underdeveloped following Budget changes in the oil taxation structure.

Price freeze

On the day the industrial gas price freeze comes into effect, householders will face the first of two price increases scheduled for the domestic sector this year.

Chemical industry warns over electricity prices

BY SUE CAMERON, CHEMICALS CORRESPONDENT

ELECTRICITY prices in the size of its bills. It is expected that ICI's electricity bill for its chlorine business alone will rise by at least £1.95m in the next 12 months.

OFT probes free-sheet war

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE OFFICE of Fair Trading (OFT) is to mount an investigation into the bitter marketing war between local newspapers and publishers of free-sheets, it was announced yesterday.

Metro 'subsidy' denied

BL YESTERDAY rejected a claim by a Tory Euro-MP that British taxpayers were "subsidising the wealthiest people in Europe—the Swiss—to buy cheap Metros."

Shake-up planned for System X exports

BY GUY DE JONQUIERES

THE GOVERNMENT is seeking to shake up the export marketing arrangements for System X, Britain's advanced electronic telephone exchange, which has been developed at a cost of almost £200m.

Clearing bank shares fall sharply

BY WILLIAM HALL

CLEARING BANKS shares fell sharply yesterday as the stock market digested the implications of the Chancellor's Budget comments about the need to ensure a proper contribution to tax revenues by the banking sector.

Quick launch of index-linked gilt stock fund

By Eric Short

SCOTTISH Amicable Life Assurance Society, a leading Scottish mutual life company, reacted with astonishing speed to the Chancellor's announcement of the availability of index-linked gilt stocks to all investors.

No stimulus for growth, says Jenkins

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

MR ROY JENKINS, the Social Democratic-Liberal Alliance candidate in the Glasgow Hillhead by-election, said yesterday that the Conservative Budget had failed miserably as an adequate stimulus for the economy.

Callous disregard shown for jobless, says TUC

BY JOHN LLOYD, LABOUR EDITOR

THE TUC fished out its instant rejection of the Budget yesterday by accusing the Chancellor of a "complacent and callous disregard for the plight of the unemployed."

Advertisement for THE ARMY BENEVOLENT FUND. Text: "In war, in peace you need his help... A donation, a covenant, a legacy to THE ARMY BENEVOLENT FUND will help soldiers, ex-soldiers and their families in distress."

Advertisement for ICI. Text: "You may know we are the world's largest, most experienced, independent exhibition organisers. You may be unaware of the enormously wide range of markets our events cover."

Advertisement for IFTSHOWS-MARKETS & PRODUCTS COVERED. Text: "The difference between knowing your market and winning the business. You can get to know the market through desk research and advertising."

Table listing various markets and products covered by IFTSHOWS, including China, Hong Kong, Japan, Korea, Mexico, Singapore, and others.

Teachers put off action in 11 councils

By Ivo Dawson, Labour Staff
THE 240,000-strong National Union of Teachers last night exempted a further nine county councils and two Welsh education authorities from industrial action due to begin today.

The union claimed the councils had joined metropolitan authorities in urging that the deadline for pay talks be referred immediately to independent arbitration.

However, the Association of County Councils dismissed the claim, saying that if the NUT examined the print of the authorities' statements it would see the councils remained committed to further talks at the Burnham negotiating committee.

Most of the 440,000 teachers in England and Wales are expected to stop supervising school meals and other activities outside school hours from today.

The teachers are protesting against the employers' insistence on more talks on its 3.4 per cent pay offer before arbitration begins. The unions have demanded a pay award of between 11 and 12 per cent.

Industrial action was called by all three principal teachers' unions last week after the talks broke down.

The second largest union, the National Association of Schoolmasters' Union of Women Teachers, has instructed its 122,000 members to back the action.

The NUT campaign follows a split in the management side earlier this week when the 1.8-hour-controlled Association of Metropolitan Authorities supported the arbitration call.

The employers will meet to discuss the position next Thursday.

TUC to ease policy on state assets

BY JOHN LLOYD, LABOUR EDITOR

LEADERS OF THE TUC and the Labour Party seem set to face their respective conferences this autumn with proposals to tone down significantly their hard-line policies against paying compensation to shareholders of state assets sold by the Government.

The TUC's economic committee yesterday agreed the broad thrust of a policy which would pay minimal compensation to shareholders, according to one of two sets of criteria. These are closely similar to the two options considered by the Labour Party's home policy committee on Monday.

However, the home policy committee added two further options—one a restatement of the policy of no compensation; the other, put forward by Mr

Tony Benn, would set up a commission to decide on refunds to shareholders using criteria based on need.

It seems likely that a consensus will settle on the option to "pay in compensation precisely what it received at the time of denationalisation," as the TUC background paper puts it.

The paper says: "This global sum would be straightforwardly divided between shareholders, including employee-shareholders holding 'free shares'. While shareholders would keep the dividends they received while holding the shares, they would not be compensated for inflation."

"Nor would they receive any allowance for the difference between what they—the share-

holders at the time of renationalisation—paid for the shares and what the Government originally paid for the shares at the time of denationalisation."

The TUC says that while the state will make no losses as a result of renationalisation, existing shareholders—including pension funds and employee-shareholders—would suffer considerable losses.

The pragmatic tone of the TUC document is extended when it notes that "whatever general principle of compensation for renationalised assets is adopted, in some cases the only practicable option might be to pay the existing share values."

The TUC has come down heavily against the no-compensation policy. Any attempt to implement it, or to compensate

Paint shop strike halts Talbot in Coventry

By Lorne Barling

A STRIKE by 225 men in the paint shop has halted production of Horizon, Alpine and Solara cars at Talbot's Coventry plant and laid off 1,800 workers.

The dispute first arose on Monday when 35 paint sprayers walked out in protest against a management plan to reduce their rest periods temporarily, they returned to work on Tuesday.

However, production at the Ryton, Coventry, assembly plant was completely halted yesterday by a new walk-out and union officials said the stoppage could be prolonged unless the company withdrew its proposals.

Talks with management were taking place late yesterday in an effort to resolve the dispute quickly.

Talbot said the trouble arose over plans to introduce a temporary night shift to clear a backlog of cars which would change the relief pattern of day workers in the paint shop.

The company said the paint-shop workers had won an agreement some years ago to have a total of 90 minutes' rest a day, considerably more than other employees, due to their poor working conditions.

This had recently been extended by agreement to 105 minutes a day, and the company was now asking for a temporary reduction of that period to 97 minutes, which had sparked off the dispute.

Management claimed that the men had not followed the required dispute procedure, despite full consultation.

Scottish steel plant men agree to resume work today

FINANCIAL TIMES REPORTER

A STRIKE by 3,000 workers which has stopped production at British Steel plants at Ravenscraig, near Motherwell, and Gartcosh, will end today.

After three hours of talks in Dunblane on the dispute, over new manning proposals, an agreement was reached with an immediate return to work under the status quo. Further negotiations on a bonus scheme will be held at Ravenscraig over the next week, involving top-level officials from both sides.

Mr Bill Sims, general secretary of the Iron and Steel Trades Confederation, said: "We have got a satisfactory outcome. There will be a resumption of work under the present agreement and we have also decided that the 'flyne squad' of higher-level negotiators will start working immediately."

They will work every day this week and next week to provide, if possible, an agreement by a week on Friday. It's a shorter time-limit than I

would like but I want them to get back to work and I want Ravenscraig to succeed."

Mr Sims added: "The negotiations will be led by my assistant general secretary Roy Evans. We would expect that at the end of that time some of the changes which have been sought will be put into operation."

"It does mean some jobs going Around 620 in total will go, but not all from my union. If that helps to create the security for Ravenscraig then the whole of Scotland can be highly pleased with the outcome."

Mr Peter Allan, operational managing director with BSC's strip mill products division, said: "Bearing in mind the circumstances, I have agreed that there will be a return to work under the status quo in exchange for a commitment from the union side that a full and final agreement will be settled by a week on Friday."

BP refinery workers to challenge 8% offer

BY BRIAN GROOM, LABOUR STAFF

THE GENERAL level of 8 per cent rises in the oil industry's pay round will be strongly challenged by 900 process and manual workers at BP's Grangemouth refinery in Scotland and by 500 Mobil tanker drivers.

The Transport and General Workers Union at Grangemouth is submitting a claim which will specify a percentage figure above the rate of inflation, and demand a cut in the working week from 39 hours to 37½ hours.

Mr Neil Boner, senior TGWU steward, said the union was particularly determined to

secure rises above 8 per cent after failure to reach a productivity deal.

A mass meeting was last night expected to back a recommendation by shop stewards to reject proposed productivity rises which the union puts at between nil and about 5 per cent.

This follows six months of discussions on efficiency changes and a new grading structure. The measures are broadly agreed but the "price" is hotly disputed.

Mr Boner said the proposed rises would inject £160,000 of productivity savings back into

the new pay structure. He claimed the package, which includes about 100 job losses, would save BP more than £1m in wages and overheads, without taking account of greater efficiency.

Industrial action was threatened last year if management did not renegotiate the 18-month pay deal.

The union will attempt to make up what it sees as a shortfall in pay compared with other workers unless BP makes a higher offer on productivity. It has threatened industrial action if management attempts to implement the efficiency measures without agreement.

The Mobil drivers' pay talks, with a May settlement, are likely to set a benchmark into the next pay round for tanker drivers in the other main companies, who settle in November.

Last year, Mobil's 13 per cent deal became a target and strikes were threatened in Esso, Shell and Texaco in pursuit of it. Those companies, however, along with BP, managed to hold the line at 8.1 per cent.

The other companies are hoping Mobil will not concede large rises this year. The simple basic rate for "grade one" Mobil drivers is, at £116.55, about £3 above that of its competitors.

Bank union pay ballot

BY BRIAN GROOM, LABOUR STAFF

CLERICAL and managerial members of the Banking, Insurance and Finance Union are to be offered a choice between accepting the final 8.5 per cent pay offer from the five English clearing banks and holding a one-day national strike.

Bifu will make no recommendation in a postal ballot of its 70,000 members in these grades. But it will make clear on the ballot form that rejection means a 24-hour stoppage, with the prospect of further strikes.

The offer, which includes improved holidays, has been accepted without a ballot by the rival non-TUC-affiliated Clearing

Tebbit urged to amend Bill

BY OUR LABOUR EDITOR

REPRESENTATIVES of business and right-wing groups yesterday urged Mr Norman Tebbit, the Employment Secretary, to amend the Employment Bill to make employers and unions stock to agreed disputes procedures.

The group, led by Mr George Gardiner, MP, asked Mr Tebbit to accept an amendment which has already been tabled during the Bill's committee stage.

Mr Gardiner said after the meeting: "The amendment provides that where employers and trade unions have voluntarily agreed to go through a procedure for resolving disputes, then both sides should stick to

it. Where no agreed procedure exists, the parties should go for conciliation. If strikes took place before the procedure had been exhausted, then the legal immunity of unions would not apply."

However, Mr Tebbit is not expected to agree to the amendment. He is in favour of employers and unions working out ways of hushing agreements, but is not expected to put the force of law behind such arrangements at this stage.

The group lobbying Mr Tebbit included the Institute of Directors, the Contractors Plant Association, the Centre for Policy Studies

Plessey hit by walk-out

AN UNOFFICIAL strike by 500 hourly-paid workers, mainly women, halted production yesterday at the Plessey Telecommunications plant at Hynon on Merseyside.

Union officials will meet tomorrow to discuss the suspension of two employees for alleged bad timekeeping and absenteeism. The workers say the company did not follow formal dispute procedure.

'Over 80% beat London bus and Tube stoppage'

BY LYNTON McLAINE AND BRIAN GROOM

LONDON TRANSPORT buses and Tube trains did not run yesterday, as staff staged a one-day strike to protest at the doubling of fares on March 21. Services are expected to be normal today.

Several hundred bus conductors, drivers, and tube train drivers turned up for work out of the total 59,000 staff, LT said. The complete withdrawal of labour by engineering staff and a majority of drivers prevented LT from operating even a skeleton service.

London Chamber of Commerce, in a survey of 30 companies in London, found that 85 per cent of staff had turned up for work. Shell and ICI provided coaches to take staff from British Rail stations to their offices.

Police said traffic was moderate and most people headed advice not to drive into town unless absolutely necessary. The AA said traffic was

up by about 10 to 15 per cent and problem areas were confined to a few spots in central London.

About a dozen LT stations used by British Rail had to be closed to BR services because of the LT strike.

Trains from North Hertfordshire and Westwyn Garden City were diverted from Moorgate to King's Cross or terminated at Drayton Park. BR said there was no way it could operate services at stations which LT had closed.

London Transport said last night that the one-day strike had cost it a £300,000 gross in lost revenue. It had yet to calculate the wage savings.

Mr Ken Livingstone, Greater London Council leader yesterday urged Londoners "to stand up for public transport" by joining a mass lobby of Parliament this afternoon. The meeting is to start at 2.30 pm at Central Hall, Westminster.

THE WORLD OF APPLE IS JUST A FEW STEPS AWAY

Advertisement for Apple Computer (UK) Limited. Text includes: 'If you'd like to know how an Apple desk-top computer could help your business, step this way. Over the next few months, you'll find that Apple Computer dealers throughout the country are holding special events...'. Includes an image of an Apple II computer and a form to request more information.

How the arithmetic can mean all things to all men

IN THE few minutes between "Jazz in Britain" and a Sibelius concert at 11 pm Tuesday, BBC Radio Three informed listeners that the Chancellor had raised the cost of petrol, drinking alcoholic liquor and smoking.

The Budget figures actually mean. This year the confusion appears to have been deliberately fostered by the way in which the Treasury has done its arithmetic. This was the failure to mention anywhere in the Financial Statement and Budget Report—FSBR—(or in the Chancellor's speech) that employees' national insurance contributions are actually going up in April.

This increase, which is the equivalent of raising income tax enough to bring in £1bn was announced last December at the time of the expenditure review. From the public's point of view however, it is a revenue raising measure and as such needs to be considered alongside the other taxation measures announced in the Budget.

As a result of the Treasury's coventions for drawing up the Budget statement this increase in employees' contributions is lost in the confusion of existing policies. Its effect on the total revenue forecast for 1982-83 is not shown, although the effect of the 1 per cent cut in the employers' national insurance surcharge is shown. The question of how to treat this "missing £1bn," together with differing ideas about the significance of indexation, can lead to widely differing perceptions about what the Budget actually did.

At one extreme it is possible to say that the Chancellor "gave away" tax concessions worth £3.5bn. At the other extreme it can be said that tax concessions were worth only £195m. Both these figures are correct and are derived directly from official figures. Which you choose depends only on the definitions you favour. Yet another and perhaps more comprehensive way of looking at the Budget would be to say that public sector borrowing is scheduled to fall by £1bn (or 1/2 per cent of output) next year, thus tightening the fiscal stance.

The larger figure (£3.485bn to be precise) is the Treasury's estimate of the effect in the full year of all the tax changes compared with the tax revenues which the Government would have received if all rates and duties had stayed the same. This is the traditional way in which the British have looked at their Budgets during the 25 years since World War II: at any time in the 1960s and 1970s, headline writers would have been unanimous that "Chancellor gives away £3.4bn."

However, perceptions—and the law—have changed, mainly as a result of the high inflation rates of the 1970s. Now, even if the Chancellor merely stood up and said: "I make no changes this year," his income tax revenue would automatically be about £2bn (in current values) less than otherwise would have been because of the famous "Rooker-Wise" amendment to the 1977 Finance Bill. This said income tax thresholds must be raised in line with inflation unless Parliament specifically decides otherwise.

The Treasury countered with its "conventional assumption" that excise duties will also rise in line with inflation unless the Chancellor decides otherwise. These two assumptions, which make the tax system fully indexed, provide a new baseline for revenue calculations which is now becoming more accepted. Starting from this base, the FSBR calculates the direct effect of Tuesday's Budget on 1982-83 revenues will be £1.555bn. Against this should be set £300m which will be clawed back from the public sector to offset the cut in the National Insurance Surcharge.

INDUSTRY

The lion's share of the concessions

TWO major policy decisions in the budget provisions for aid to industry contained in the Budget and in the public expenditure plans published this week. The first is a reluctant acceptance by the Treasury that the recession has eaten far more deeply into nationalised industries than had been expected. As a result the industries are far less ready than had been hoped to finance their requirements from their own resources. They are now budgeted to cost the Government a total of £5.3bn in external financing during the next two years instead of the mere £300m estimated last year.

The second is an acceptance of the Industry Department's wish to increase its expenditure on high technology, small businesses, and other forms of profitable industrial development while at the same time decreasing its expenditure on the lame ducks such as B.L. British Steel and British Shipbuilders.

The £130m innovation package announced in the Budget for space, electronic and engineering development is a first step in this direction. It was greeted enthusiastically yesterday by Mr Patrick Jenkin, Industry Secretary. He said he had told Sir Geoffrey Howe, Chancellor of the Exchequer, at the Cabinet meeting just before the Budget speech was made, that he had "done us very well indeed."

Mr Jenkin estimated that two-thirds of the Budget's concessions (excluding index linking of tax allowances) went to industry if one included his £130m package. But the overwhelming factor to emerge is the continued cost of the state-owned industries to the Government which had not been allowed for in previous estimates. It had been hoped a year ago, for example, that the nationalised industries would require only £1.7bn of external finance in the current year because of the industries' expected ability to generate sufficient internally to cover the rest of their £5.5bn total capital requirements.

Although this is again only a rough estimate and may well be substantially exceeded. Spending on regional factory development is also budgeted to fall—from £45m in 1981-82 to £35m in 1982-83—mainly because the state-owned English Industrial Estates Corporation has reduced its major factory building programme in response to the depressed industrial property market. Spending on small factory units is, however, expanding.

Of the extra £130m provided in the Budget for the Department to spend in an "innovation package" over three years, about £55m will be allocated to information technology projects including advanced electronic development work dubbed the "fifth generation of computers," computer software, and the use of new technologies in schools. Some £5m will go on robotics and other advanced and flexible production engineering systems while as much as £15m may be devoted to encouraging small engineering companies to invest in new machinery.

The lion's share of public spending in each of the years to 1984-85—more than a quarter—goes on social security. Nearly all this spend is on benefits and the cash is expected to rise from £28.6bn in 1981-82 to £32.0bn in 1982-83, a rise of 12 per cent, and then to £33.5bn in 1983-84 (up 4.6 per cent) and £35.4bn in 1984-85 (up 5.7 per cent). The level for 1982-83 is some £870m higher than planned in last year's White Paper, mainly because the level of unemployment has turned out to be much higher than the Government ever expected.

Defence spending is planned to be £14.1bn in 1982-83, nearly 12 per cent higher than in the current year, with more modest cash increases in later years—up to £15.3bn in 1983-84 and £16.4bn in 1984-85. Spending on health and personal social services will outstrip that on education in the coming years. Education will be £12.75bn in 1982-83 but will increase only to £13.11bn and £13.47bn in the two succeeding years, partly because falling school rolls will continue to reduce demand. Health spending will rise from £13.53bn in 1982-83 to £14.5bn and £15.25bn in the two years after.

SPACE, OPTICAL COMMUNICATIONS

Funds for research into satellite sensors

THE Industry Department is to increase its support for space technology by £5m annually for the next three years. It will also step up funding for research work on optical fibre communications and optoelectronics.

Mr Patrick Jenkin, Industry Secretary, said much of the additional space spending would be used to back research into remote sensing devices, which enable satellites to gather information about activities on earth.

The devices have a wide range of scientific and commercial applications, including assistance for meteorological forecasting, maritime navigation and agriculture and the detection of movements of shoals of fish.

The Government now spends £77m a year on space projects. Most of the money goes to the European Space Agency. The UK has a one-third share in L-Sat, the agency's £230m planned direct broadcasting satellite, which is due to be launched in 1986.

Mr Kenneth Baker, Information Technology Minister at the Industry Department, said some of the funds for remote sensing would probably go to ESA. But he expected the proportion of the Government's space budget spent in Britain to rise slightly.

Mr Jenkin indicated that he expected a sizeable share of the financing for future commercial satellite projects to come from the private sector. British Aerospace, GEC-Marconi and British Telecom recently announced plans for a £150m satellite designed to transmit both telecommunications and broadcasting signals.

The amount of extra funding for research into optical fibres and optoelectronics has not been finally decided. It will depend on how the £55m increase in spending for information technology and electronics is allocated between different projects.

Part of the money will be used to top up the £25m five-year support scheme which the Government launched last year for work on optical fibres. These are hair-thin transparent strands which carry communications and other signals as pulses of light.

INTERNATIONAL IMPLICATIONS

Why index-linking arouses suspicion

MRS Margaret Thatcher's Government prides itself in being in some ways a revolutionary one. And one of the most striking features of Tuesday's Budget—the move to lift all restrictions on sales of index-linked government bonds—is certainly a bold stroke.

All the same, Sir Geoffrey Howe probably would not welcome being reminded that a still earlier pioneer in the field of index-linking was the Communist Chinese Government after the 1949 revolution. By introducing widespread indexation of wages, savings and government payments in the early 1950s, the Peking Government was trying to insulate the country from the effects of inflation—a course which has since been followed by countries as far apart as Brazil and Israel.

Sir Geoffrey, of course, is trying to do the opposite. His line is that the Conservatives' commitment to squeeze out inflation will be taken all the more seriously if the Treasury slackens its issue of long-term high coupon conventional stocks and instead launches bonds with interest rates linked to the (hopefully, declining) rate of inflation.

more exposed to selling on the exchanges as a result of Sir Geoffrey's move. Foreign exchange dealers yesterday commented that the index-linking move was helping to buy sterling, compensating for the unforfeitable impact abroad of the sharp raising of the Government's monetary targets. Foreign investors were among the flood of buyers of unrestricted indexed stocks yesterday morning.

Middle East central banks and government agencies, which are bound to see inflation-proofed sterling investments as safe assets for the bottom drawer of their reserves, may take longer to move into the market. Some gilt-edged dealers yesterday felt such buyers were more likely to favour the new shorter term indexed issue which goes on offer at tender on March 19.

Closer to home, there is bound to be disquiet in the City as the next general election approaches that index-linking could be used by a future Labour Government to mount a painless expansion of public borrowing.

Last June, the TUC and Labour Party agreed to investigate greater use of index-linking to "ensure that the City cannot throw up obstacles to our plan for expansion."

David Marsh

FORWARD PLANNING

Just a light touch on the accelerator

THE CHANCELLOR commented during his Budget speech that if public spending continues to grow faster than the growth of jobs Britain would now lead the world in both, whereas in fact unemployment at eight times higher than 20 years ago. Nevertheless, the Public Expenditure White Paper shows the extent to which the Government has decided it might be worth having the engine running at something more than tick-over in 1982-83 with a squeeze in the two years after that.

LOCAL AUTHORITIES

Council spending plans remain out of touch with reality

EVERY YEAR the section of the public expenditure White Paper least in contact with reality always turns out to be the part dealing with local councils. The fact that this is so time and time again is strengthening the view of several analysts that only central government grants have any place in the paper, and that rates should be omitted.

In 1980-81 Great Britain's local authorities spent £1.05bn or 6 per cent more than the Government had planned for current expenditure calculated for grant. After much pressure, setting of targets and redefining of money another attempt was made in 1981-82. This time council budgets shot £1.7bn or 9 per cent past the Government's target. As a result about £200m will eventually be withheld in penalties from the final 1981-82 grant payment.

The targets were missed partly because they were unrealistic. The Environment Department realised it was heading for permanent defeat at the hands of local councils. It joined the Cabinet's new-found mood of "realism" last autumn and raised the plans for 1982-83 by an extra £1.35bn to £3.28bn. This figure now looks certain to be over-

John Elliott

SOCIAL SECURITY

Keeping to the legal minimum

THE FULL package of increases in social security benefits, due to come into force in the week beginning November 22 1982 was unveiled yesterday by Mr Norman Fowler, Secretary for Social Services.

In almost all cases the Government has done no more than revalue the benefits by the legally required minimum. Where there is no legal requirement it has not increased the benefits.

As already announced in the Budget, pensions, sickness and unemployment rates and child benefit allowance, which have to be price protected, are increased by 11 per cent—9 per cent to allow for the forecast inflation rate over the next 12 months to November 1982 and 2 per cent from last year's underestimate of the final inflation rate.

SOCIAL SECURITY WEEKLY RATES table with columns for New, Old, and various benefit types like Retirement and widows' pension, etc.

Indeed, the undervaluation of the 1981 uprating has been a big factor in this year's increases and the reactions to the increases. The Chancellor had originally not intended to make up the shortfall for short-term benefits, but in the end bowed to strong pressure from all sources, including his backbenchers.

The Family Expenditure Survey confirms his contention that costs have been rising faster for pensioners than for the community as a whole. The index for two-person pensioner households rose from 271.8 in the fourth quarter of 1980 to 303 in the fourth quarter of 1981—a year-on-year rise of 11.5 per cent. The general RPI rose 10.5 per cent.

Mr Fowler said the cost of these increases would be close to £3bn in a full year.

BOILER CONVERSION

Moves to boost coal warmly welcomed

THE EXTENSION of the grants scheme to six industry's conversion to coal has been warmly greeted by the National Coal Board and most boiler makers. But they are worried that grants of 25 per cent of a project cost will not be enough for cash hungry companies wanting to switch from oil and gas.

A leading builder of shell boilers has also complained bitterly that the grants cannot be used by local authorities and other public bodies who are potentially among the most important converts to coal.

The scheme had a feeble response in its first year. By the end of last month, the industry department had committed little more than £4m to 45 applicants. Only 31 had accepted the offer. Both the Coal Board and the industry department are confident that the rest of the £50m

Max Wilkinson

Robin Pauley

Eric Short

Maurice Samuelson

JOBS COLUMN

Where 'friends' truly mean more than money

BY MICHAEL DIXON

"YOU WANT to know how many jobs for skilled people we have vacant?" the man said slowly. He pondered for some seconds then continued: "The number must be 2m. I think, approximately you know."

standing wondering where to walk next in Tbilisi a man came up and said something incomprehensible. He was stocky and while dressed like a professional person, had an aggressive eye and a fierce moustache. So I gave him the Georgian formula for good-morning and, since his eyes only narrowed, added all the best: "If he had continued to growler, I would have thrown in the I'm sorry for good measure, followed smartly with bye-bye."

alongside evidently critical shortages of skilled workers, particularly those who are both bright and young. The problem is partly unavoidable because youngsters due to start work in the next few years are the children of an age group itself thinned cruelly by the Second World War. But the shortages are exacerbated by other factors, not the least of them the continuation of two years' compulsory military service for young men.

train students in dressmaking, machinery operations and hundreds of other similar activities. This is the only form of teaching which since 1965 has gained an increased share of the Soviet Union's gross national product — up from 0.8 to 0.9 per cent. Propaganda as well as improvements in the material conditions of the vocational schools and their students seem to be increasing these schools' intakes and outputs.

for acceptance than to enter the more practical training system whose Russian initials are sometimes represented in graduate quarters as standing for: God finds things for the stupid to do. Officialdom seeks to correct the preference for degree studies and the less physically taxing jobs they guarantee by controlling salary differentials. Doctors and teachers who are predominantly women, and engineers and such who remain predominantly men (there seems to be no nonsense about abolishing sex-stereotyping in Soviet society) do fairly well to have a salary of 200 roubles a month. At the official exchange rate that is around £160 and while rents and so on are very low, the costs of adult clothing and food are high. By contrast, workers in the mines, on farms and the like can earn up to twice as much.

dwelling rather than one rented from the State with virtually no right to continuing tenure. Then for a man who took a degree course and did part-time army training, there was the advantage of doing his military service as an officer. Women with higher education were more in demand on the marriage market. And there was something else, I was told. A careful look at the weight of young people's applications for different kinds of higher educational courses would show significant changes since 1965. At that time there were many applicants for student places in engineering and science, and few for the institutions which train people for commercial jobs such as retail management. Today the balance is the other way round. In addition, dentistry seems to be far preferred to medicine as a career.

Bonuses

"You have much unemployment in England," he said. "But we have none in the Soviet Union." Thereupon I naturally expected a replay of the superiority rape. But it was not to be. "The reason is simple," he went on. "For every job we have four people. One sleeps. The next does the work. The third undoes what the second has done. And the fourth does it again."

Bonuses of up to 30 per cent of salary are offered in workers who, by acquiring extra skills, enable their department to function with fewer people. All workers deemed capable of it are required to undergo further training courses regularly every few years. Efforts are in hand to improve the attractiveness to young teenagers 'of the vocational schools, which in addition to providing general education in the set State curriculum,

The tendency to shy away from productive jobs is most marked, as it is over here, among the academically 'more successful youngsters. These who also tend to be the children of parents in the equivalent of professional occupations — face severe competition for admission to degree-level studies particularly in the humanities. But they prefer to try and try again

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Please write in confidence, quoting reference 25691L, to N. P. Halscy, 165 Queen Victoria Street, Blackfriars, London EC4V 3PD. Alternatively, telephone him on 01-236 8000 Ext. 2549.

Peat, Marwick, Mitchell & Co.
Executive Selection Division

CHIEF STATISTICIAN

The National Economic Development Council is a tripartite body concerned with the economic performance of the UK. The National Economic Development Office provides the secretariat and support staff for the Council, industry Economic Development Committees and Sector Working Parties.

The Chief Statistician, who reports directly to the Economic Director, is responsible for the organisation and delivery of statistical services to the whole of the NEDO organisation, including operation and development of EDP systems for data storage, analysis and research. He must ensure that the Statistics Section anticipates and develops new statistical sources and services as required, and in addition must maintain and develop contacts between NEDO and statistical interests in government, industry, research agencies and academic institutions. Effective management of the staff of 15 and all associated facilities is an essential part of the responsibility of the post. Briefing for the Directors of NEDO on statistical matters is also frequently required. Ideally the successful applicant will, in addition to being a fully qualified statistician, have considerable experience with a wide range of statistical sources, a proven record of effective management and familiarity with EDP. Competence in the economical/econometrics field would also be advantageous.

The starting salary is £18,772 rising to £21,982 including London Weighting.

NEDO will also consider applications from those wishing to work with the Office for a specific period eg. on secondment or leave on leave of absence from their parent organisation. Requests for application forms to be returned not later than 27th March 1982 should be made to:

Miss C. Humphreys, Personnel Section,
National Economic Development Office,
Millbank Tower, Millbank
London SW1P 4QZ.

M.I.S. Development Manager
South East c. £17,000 + car

The company is a UK market leader in providing specialist industrial services. It has an excellent growth record with ambitious plans for future development and, as a consequence, its information needs have outgrown current systems.

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Candidates should be graduates with developed analytical skills, ideally supported by an accountancy or business school qualification. They must have extensive experience of M.I.S. development for multi-location organisations, possibly gained through management consultancy. Personal skills must include a disciplined approach to self-organisation and the ability to communicate effectively at all levels. A preparedness to travel is essential. Age is indicated as 28-35.

Please reply in confidence giving concise career and personal details and quoting Ref. ER 534/FT to P. J. Williamson, Executive Selection.

AMS Arthur Young Management Services
Rolle House, 7 Rolle Buildings
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Please demonstrate your relevance briefly and in confidence, quoting reference 407/FT to Patrick Mills, John Courtis and Partners, 78 Wigmore Street, London W1H 9DQ.

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Please address brief personal and career details, in confidence, to Douglas G Mizon (ref FT162M) at the address below:

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For an introduction to these positive career positions, initially contact, Neil Macmillan as adviser to the company, on (0992) 552552, alternatively send full personal and career details to him at Macmillan Woolf Personnel Consultants, The Old Vaults, Parliament Square, Herford SG14 1PU

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Please write in confidence to Nigel Halsey, quoting ref. 4103/L, at 165 Queen Victoria Street, Blackfriars, London, EC4V 3PD. Alternatively, telephone him on 01-236 8000 Ext. 2549.



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Executive Selection Division

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Executive Selection Division



Business Development Representative - Europe

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Please telephone or send detailed C.V. to Brian Gooch or Diana Warner



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THE ARTS

Record Review

Song-cycles and Song-symphonies

by ANDREW CLEMENTS

Shostakovich: Symphony No. 14, "Babi Yar"...

Shostakovich: Symphony No. 13, "Babi Yar"...

Shostakovich: Symphony No. 12, "Babi Yar"...

Covent Garden

Billy Budd by MAX LOPPERT

The latest Covent Garden revival of Britten's opera is a collection of excellently studied and vigorously delivered performances...

be received with numbed silence. The parallels between this symphonic song-cycle and the orchestral song-cycles of Britten have been well aired...

The single controversial aspect of this marvellous new account is that the texts are here sung in their original languages rather than the Russian translations of Shostakovich's first version...

The Fischer-Dieskaus make an appropriately intense pair of soloists, matching Haitink's raw-edged rendering of Shostakovich's mean textures...

Of Thomas Allen in the title role it might now be remarked that mainly solidity of voice and physique has rendered necessary a degree of thoroughgoing boy-soldier connotations of the character in Melville...

temporarily throwing accuracy of pitch to the winds. Yet Haitink contrives to preserve a balance of emotion without ever playing down the score's profound anguish and terror...

Alongside the 14th, Shostakovich's 15th symphony inevitably pales. But it is by no means one of the least effective works in the canon...

Once again Previn finds himself without a competitor among single-disc versions of the Thirteenth, though both that work and the Fourteenth are included in both Ormandy's set of the last three symphonies and Koudrashin's complete cycle for EMI-Melodiya...

the Schoenbergian idiom one can tolerate the lapses of control and squalls of tone that afflict some of the most demanding passages in a hugely demanding work.

Yet Dohnanyi's contribution is far less convincing. His tendency to secure a homogeneous sound (a forgivable temptation with such a superb orchestra) lies in too many of the instrumental lines...

The coupling, The Voice of Love, to a specially written set of poems by Peter Fortner, is much more ambitious than either of the work on the first side of the disc and much darker too...

Dominion Theatre

Tosca by ANDREW CLEMENTS

On previous visits to Lodon Scottish Opera has used Sadler's Wells Theatre for its short seasons. Last September it brought its hapless production of The Beggar's Opera to the Dominion, and on Tuesday gave a week of more serious performances there with Anthony Beech's production of Tosca...

thread, is artfully worked. The lush textures of Maw's recent music may bring him many new admirers, but the earlier style of The Voice of Love (written in 1966) is more original and in the end more impressive.

The recordings of works by Roger Marsh, William Brookos and Henri Pousseur mark a double debut on disc. It is the first issue from the British offshoot of the illustrious German contemporary-music label Wergo, under the aegis of the music publishers Schott, and it is also a good introduction to the work of the experimental vocal group Electric Phoenix.

Festival Hall

Guys and Dolls

by B. A. YOUNG



Julia McKenzie and Boh Hoskins

Let no one think I am going to write a calm and analytical notice. This has been my favourite musical, whether or not I think it the best, since I saw it at the Coliseum in 1953...

The second plot uses less caricatured figures. Ian Charleson needn't make Stryker Masteron funny; he is just a big-time gambler who is involved in funny situations...

The great thing about the songs, apart from Frank Loesser's woodwinds, varied tunes, is that they arise naturally from the story, and the lyrics are in a language that is not only light verse of high quality but is

written in the same style as the dialogue. Besides show pieces for the principals like "I'll know when my love comes along" and "My time of day", there are great songs like "Fugue for Tinhorns", which is indeed a fugue, and "Sit down, you're rocking the boat", so well sung by David Healy as Nicely-Nicely Johnson...

The staging of the songs and dance by David Toguri is both picturesque and comic on its own account; the crap-rolling routine that starts the game in the sewer is cleverly imagined. The play looks and sounds exciting; the whole evening on John Guter's ingenious sets, that never leave a gap between events, and the hand under Tony

Britten, set to me side on the open stage, makes just the right sound, never overdoing the voices. You can hear all the words even in the chorus numbers, perhaps because the chorus is small; and the words are always worth hearing. The acting in even the smallest parts is really acting, never simply leading up to the next number. There is one work by James Carter as Big Jule, Harry Towse as Lieutenant Brannigan, John Norington as Abernathy. When the sailors fill the Hothor before Adelaide comes on for her number, every individual on the stage has something specific to do; there is literally never a dull moment. To quote from Sarah's song of freshly released affection, if I were a bell, I'd be ringing.

Festival Hall

Sanderling by DOMINIC GILL

At the first of his two concerts this week with the Philharmonia, Kurt Sanderling divided his programme between Schubert and Shostakovich. Under the right batons the Philharmonia these days can offer some of the most exciting orchestral playing to be heard in London. With the right orchestra, Sanderling has proved himself to be one of the most distinguished and invigorating visiting conductors. The coincidence of the two on Tuesday made a richly rewarding evening.

None of its prizes was carelessly or slickly won. Sanderling approached Schubert's Unfinished symphony with a serious reverence which in no way precluded a full charge of sparkling energy. Dramatically it was in some respects a low-key reading, but never starved of inner life or colour. Everything in it had powerful shape and momentum: the first movement nobly unfolded, the second calm and spacious, underlined with fierceness.

garity, even a little unyielding in the violin and flute solos (which I interpret as an intentional, and successful, deprecification). Both the Largo and the finale were shaped with marvellous sureness of direction; few conductors can build up loops of windy Shostakovich paragraphs so convincingly, diluting their bombast without robbing them of weight. Robust, keenly responsive playing from the Philharmonia throughout.

Record price for Lowry

World auction record prices for paintings by L. S. Lowry and Paul Nash were paid at Sotheby's yesterday in a sale of modern British pictures which totalled £226,065. "Going to the Sun", painted by Lowry in 1952, sold for £32,000 and "The Steps" by Nash realised £17,000. The buyers will have to pay an extra 11.5 per cent in premium and VAT. Other works by Lowry to fetch good prices were "Street musicians" which sold for £16,000; Mill Scene, £13,000, and "Notice Board", £8,500. At Christie's a rare first edition of Pavlov's early thoughts about the digestive system, published in St Petersburg in 1897 and still in its original wrappers, was bought by Margis for £15,120. It was a prelude to Pavlov's work on the conditioned reflex. A collection of 150 pamphlets and broadsides about the English Civil War went for £3,043. ANTONY THORNCROFT

THEATRES

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F.T. CROSSWORD PUZZLE No. 4819

ACROSS 1 ITMA's colonel and part of his helmet (9)...

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ECONOMIC VIEWPOINT

A pedestrian Budget after all

By Samuel Brittan

IN ITS early years in office the present British Government received a hysterically hostile press for all its financial policies, whether they were good, bad and indifferent.

The adverse reaction came not only from political opponents, but from the whole of the world on the British economy—the world reaction, the shake-out in British industry, the trend away from manufacturing — is directly attributable to "the Government."

Treasury and Department of Economic Affairs used to argue in the 1960s — ought to be possible during a catching-up period, especially if British workers now unemployed or out of the labour force could be priced back into jobs.

The Chancellor has managed to convey the impression that he has miraculously reduced both taxes and the PSBR for 1982-83, a year in which public spending is expected to rise by 1 per cent above the general inflation rate.

force each other. There was a distinguished short passage of economic analysis early in the Budget Speech which got to the root of the unemployment problem.

alternative to the dole. This is long overdue and far better than nothing. But there was nothing to encourage the provision of permanent jobs of a non-relief kind, no re-examination of the whole pattern of subsidies to capital and penalties on the employment of labour.

Lombard Misjudgments about risk

By David Fishlock

A PERSON'S perception of the dangers in our lives is sometimes seriously at variance with the facts of the matter. The significance of this to a highly geared society, where any reduction in an already very low level of risk can invoke expense and disturbance out of all proportion to the benefits, needs airing again, as a fresh campaign is launched to lessen airborne lead pollution.

of risk is shaped more by works of fiction than by works of fact—all three sectors see police work and firefighting as much riskier occupations than they really are. Professionals even place them slightly higher than either women or students.

Still looking for a financial strategy

THE TREASURY is unhappy about the reaction to the restatement of the MTFSS. The supporters of medium term monetary objectives stress that the aim was to reinforce its credibility, by shifting the emphasis from Sterling, which has already in practice been abandoned as the principal monetary indicator and to take account of the structural changes in the financial system.

when he had already abandoned it in practice. But their task has been made even more difficult by the obvious pressure from their political masters to avoid at all costs a repetition of their embarrassment over Sterling M3, by steering clear of anything which looks like a commitment. Both conservative politicians and many permanent civil servants have the greatest difficulty in understanding the use of forward numbers as an aid to coherent planning which are not rigid targets to be observed irrespective of circumstances, but which are nevertheless meant to be taken seriously and not just "illustrative."

MONETARY GROWTH 1970-1981. Average annual % change, end each year. Table with columns for MI, M2, M3, M4 and rows for years 1970-1974, 1974-74, 1974-81.

the recent multiplication of "private sector" financial assets has been powerfully aided by a Government-owned body known as the Bank of England. As the chart shows, the run-down in the Bank's holdings of government securities has been offset by a large acquisition of commercial bills (called "other securities").

or the monetary aggregate. The big question about the recent increase in bank deposits, which forms the counterpart of the rise in bank lending, is whether they will be used to support an inflationary rise in total spending or whether there has been a major shift in the ratio of broad money to GNP (in alternative language, a fall in velocity). The shift hypothesis is more likely than not. But experience in the Heath period of 1970-74, when the introduction of Competition and Credit Control was used as an argument for not taking seriously the rise in Sterling M3 should induce extreme caution.

lapses which may warrant an alteration. But why cannot this be said? Is this above the heads of Red Book readers? Why cannot there be some indication of the relative weights to be given to the different monetary aggregates and to exchange rate movements? I would have been willing to leave this to the Treasury and Bank's technical judgments (which could be scrutinised by the Parliamentary Committee) if these intermediate aims were formally linked to an objective for Money GDP, which is the ultimate aim of the whole exercise. But this, too, was rejected.

Letters to the Editor

Milk prices: the dairy argument for direct buying

From the Chairman, Healds Dairies. Sir—John Cherrington (March 5) evades dealing with the fundamental problem. First hand buyers have to buy milk from the Milk Marketing Board at prices fixed by Government. Because more than half the milk produced is going into milk manufacture at very low prices the pool price which the board pays to all wholesale producers is diluted.

manufacturers (the Milk Marketing Board is by far the largest single manufacturer) pay more for their milk or less milk is produced in total. At present we are paying 16p per gallon (2p per pint) more to the board than the producer receives, and in some months as much as 20p per gallon (2p per pint).

ture, which we call the liquid milk premium. Unrealistically low prices may be immediately attractive to the consumer, but, however, doorstep delivery disappears, eventually the consumer will pay much more and will consume less; where will that leave the British farmer?

Tax on gains that are not real

From Mr S. Dow. Sir—Sir Geoffrey Howe rightly states in his Budget speech that "It is intolerable for people to be permanently condemned to pay tax on gains that are apparent but not real." By excluding past gains from the indexation provisions, however, he has surely secured that "permanent condemnation" for those who have held assets for up to 17 years and who cannot realise these assets and acquire others of equivalent nominal value without incurring a substantial financial penalty.

Soccer's cash crisis

From Mr D. Wright. Sir—Dr Peter Bird mentioned one pertinent point in his article on the soccer cash crisis (February 24). In his summary he suggested that clubs need to reverse the decline in attendance or, at least, to learn to live with it. With the large and constantly increasing number of alternative leisure activities, the number of cars and the wealth of the nation, there are no sport spectators on a regular basis is hopelessly optimistic.

of financially weak ones. The problem is one of business opportunity and supplying what the customer wants. I think the changes to the rules of the game proposed by Jimmy Hill and his colleagues are hardly likely to make the financial contribution required. D. Wright, 12 Leigh Court, Byron Hill Road, Harrow on the Hill, Middx.

Rates can be reduced

From Mr R. Jones. Sir—It seems churlish to criticise a Borough Treasurer for being wrong when he had palpably made such a brave attempt to point the way to reduced rates (March 6). The myth that rates cannot be reduced without affecting the level of service sounds plausible; indeed, it has the ring of truth. But it depends upon the (mistaken) assumption that the rates collected last year and every year before that were necessary for the given level of service. I do not mean this in a general sense; I mean that the system of rate-fixing, which is known as "incremental budgeting" strictly depends upon this assumption.

Synthetic oil production

From the Director, Warren Spring Laboratory. Sir—The report (March 4, Technology page) by Nick Garnett concerning synthetic oil production from waste requires clarification on some points. Pyrolysis of waste implies thermal decomposition (destructive distillation) in the absence of air, but one cannot get more out of a process than one puts in. Dr McAuliffe of UMIST is reported as saying that he is not impressed with pyrolysis techniques which produce oil of low caloric value and we would be inclined to agree that this is so with respect to domestic refuse, but it is definitely not the case with waste tyres. It should be made clear that during our pilot plant testing of the process to be installed in the West Midlands, the oil produced was of consistently high caloric value, generally around 43,000 MJ per tonne with properties comparable to those of No 6 fuel oil, and suitable for direct use by industry. During three years of pilot plant work, at throughput rates of up to 5 tonnes per day, no evidence of corrosion was detected.

Tedious and boring

From Mr R. Hackett. Sir—That over half the student population find industry "tedious and boring" strikes me as hardly newsworthy (March 3) I thought that it was an accepted fact that approximately 80 per cent of an average business day consists of dull repetitive tasks, which are occasionally, and temporarily, relieved by the ringing of a telephone, or playing with various "executive" toys. I don't think I am alone in making such an assumption. Robert C. P. Hackett, Thorvaldsenstr 24, Frankfurt am Main, West Germany.

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Companies and Markets

UK COMPANY NEWS

Baco loses £20m at Invergordon

ADVERSE trading conditions were reflected in the taxable deficit of £22.3m at the British Aluminium Company for the year 1981, of which £20m related to the Invergordon closure. This compared with a previous surplus of £12.1m. Turnover slipped from £378.13m to £367.74m.

The final dividend has been paid. The previous net total payment was 7.5p, including a final of 2p. In the second half taxable losses amounted to £13.47m compared with previous profits of £2.84m. The interim payment was also passed. Stated losses per 50p ordinary share this time came to 48.6p, against earnings of 19.7p.

The company is 58 per cent owned by Tube Investments. World consumption of primary aluminium fell, for the second successive year, by about 1 per cent, say the directors. Stocks again increased, reaching the equivalent of three months' consumption by the year-end.

In the UK consumption of rolled products remained at the level of 1980, while usage of extrusions declined further. Excess capacity in Europe and the strength of sterling caused further erosion of UK prices for semi-fabricated products. World prices for primary aluminium were severely depressed.

Alcan (UK) dives into £25m loss

PRE-TAX losses of £25.7m are reported by Alcan Aluminium (UK) for 1981 against profits of £3.2m in 1980. This follows a first half deficit of £9.9m compared with profits of £7.2m. Sales of this wholly-owned subsidiary of Alcan Aluminium of Montreal, fell from £335.7m to £306.7m. No dividend is being paid compared with 3.5p previously.

The directors say that it was the company's worst-ever year and the trading conditions mentioned in the interim report deteriorated in the third quarter, but slightly improved in the last three months of the year. Price increases were affected by a slight market improvement in the UK. The recession deepened in other parts of the world, significantly increasing pressure on price levels and causing a sharp drop in worldwide exports.

Dewhurst Dent losses increase

LOSSES of Dewhurst Dent, the glove manufacturing and warehouse group, increased from £1.33m to £1.46m in the year to July 19 1981, and dividend payment has again been passed.

At half-time, a turnaround from a profit of £37,504 to a deficit of £254,576 was reported with the directors saying results should improve next year.

They now state that the current year started badly, with increased losses on the textile side. This position improved by the end of September, resulting in a partial recovery, but since December has again declined, they say the directors view the current year with confidence and feel that the investment during 1980/81 will produce tangible benefits in 1982.

Eurotrust moves ahead at six months

A RISE in post-tax revenue was shown by Eurotrust from £2.40m to £3.00m over the six months to December 31 1981. Gross income moved ahead from £108,000 to £146,000, which included a rise in untraded income from £37,900 to £115,000.

R. Green Properties moves ahead

PRE-TAX PROFITS of R. Green Properties rose from £908,000 to £667,000 for the half year to December 31 1981 on turnover up from £1.88m to £2.41m.

Lunuva Tea & Rubber profit decline

Taxable profits of the Lunuva (Ceylon) Tea and Rubber Estates fell from £726,505 to £369,233 last year after a nil surplus on disposal of investment compared with £476,734 last time.

AID profits up—pays 0.3p

DESPITE exceptional debits of £68,835 for the period, and lower interest receivable, pre-tax profits of Allied International Designers Group were ahead at £129,388 for the 12 months ended October 31 1981, compared with £103,412 for the previous 13 months.

Turnover of this corporate communication and design concern jumped from £306,702 to £2,04m and there is a single, final dividend of 0.3p (nil) per share, 0.25p at least was forecast last September.

Mr James Pidditch, chairman, says the directors view the current year with confidence and feel that the investment during 1980/81 will produce tangible benefits in 1982.

Evode looks to recover volume

THE comparability of the half year's results of Evode Holdings with last year will largely depend on the recovery of volume lost during December and the early part of January, says Mr A. H. Simon, the chairman, in his annual statement.

Evode's activities include the manufacture of adhesives and jointing compounds. The chairman says the performance of most parts of the group was better than anticipated for the first two months of its current year and there was some evidence of restocking, coupled with improved demand from industrial customers.

However, the severe winter weather and disruption caused by the railway strike will affect results for December and January, which are traditionally months with a lower level of sales activity. Evode's roofing had to date been particularly hit by the weather.

Brown Bros. falls sharply into loss

FOR the 16 months to October 31 1981 Brown Brothers Corporation, wholly owned by Dana Corporation of the U.S., reports a pre-tax loss of £1.33m compared with profit of £4.16m for the previous year.

Long & Hambly omits Pref.

Long and Hambly, the loss-making rubber and plastic moulder, has decided not to pay the dividend due on the company's 4.9 per cent cumulative preference shares for the half year ended last month.

Receivers for Funkton UK

Richard Archer and Alastair Jones of chartered accountants Peat, Marwick, Mitchell and Company, have been appointed joint receivers and managers of Funkton (UK), of Redditch.

RESULTS AND ACCOUNTS IN BRIEF

SCOTTISH AGRICULTURAL INDUSTRIES (52.4 per cent owned by ICI)—Results for 1981 reported February 5. Group fixed assets £10.2m (£10.25m); current assets £10.7m (£12.23m); shareholders' funds £20.54m (£28.87m). Meeting: Edinburgh, March 25, noon.

Grid of logos for various companies including Raleigh, Silencers, Creda, Archer, British Aluminium, New World, Reynolds, Parkray, Weldless, Glow-Worm, Chesterfield, Russell Hobbs, Tubes, Crane Packing, Crypton, Cox, Desford, Churchill, Flexible Tubes, Accles & Pollock, Tower Housewares, and Fords.

Heavy loss in 1981 -but the worst is now behind us

Sir Brian Kelleet, Chairman of TI, in a press interview yesterday, said that as foreshadowed at the time of the interim statement TI's results showed a substantial improvement in the second half of 1981, confirming that TI has passed the trough in its performance.

content with an unprecedented economic recession. In addition the continuing strength of sterling has had severe effects on competitiveness and export profitability.

and overhead structures. Over the past two years TI's numbers employed in the UK have been reduced by about 30% from 53,000 to 37,000.

Two Major Problems Two major problems in cycles and primary aluminium manufacture have received intense management attention. In the cycle business the scale of operation has been cut back, resulting in a 30% reduction in the numbers employed during 1981.

Table with 4 columns: Business Area, 1980 (1st half, 2nd half), 1981 (1st half, 2nd half). Rows include Aluminium External Sales, Trading profit, Cycles & toys External sales, Trading profit, Domestic appliances External sales, Trading profit, Steel tube External sales, Trading profit, Specialised engineering products External sales, Trading profit, Total External sales, Trading profit.

Consolidated balance sheet 31st December 1981. Net assets employed: Fixed assets 247.3, Deferred revenue expenditure, net 4.1, Investments 17.6, Current assets 537.2, Total 806.2. Deduct current liabilities 278.8, Total 527.4.

Table with 4 columns: Consolidated profit and loss account year ended 31st December 1981, 1980, 1981, 1980, 1981. Rows include External sales, Trading profit, Associated companies, Interest payable, Profit/(Loss) before taxation, Taxation, Minority interests, Earnings, Extraordinary items, Dividends, Earnings per £1 ordinary stock.

Unprecedented Recession During 1980 and 1981, the TI Group, in common with most of UK manufacturing industry, has had to contend with an unprecedented economic recession.

Having paid an interim dividend of 2.5p the Board accordingly recommends a final dividend of 5.0p per £1 ordinary stock.

TI Group logo and text: The Annual Report will be posted to Shareholders on April 7, 1982. Further copies will be available from The Secretary, Tube Investments plc, TI House, Five Ways, Birmingham B15 8SQ.

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Companies and Markets

MINING NEWS

Five new coal developments for NSW

THE GOVERNMENT of New South Wales plans to release five new areas for coal mining, estimated to contain around 2bn tonnes of recoverable coal, according to Mr Neville Wran, the state's Prime Minister. The areas, in the coal-rich Hunter Valley north of Sydney, are expected to produce an eventual 15m tonnes of coal a year, reports Patricia Newby from Canberra. The coal is principally of the type useful for power generation. Mr Wran said his government is inviting applications for leases from interested companies, with the main consideration being the achievement of the maximum return for the state. Coal producers in New South Wales are currently in dispute with the state government over a recent 25 per cent increase in freight charges. This came on top of a wage rise of A\$83 (£37) a week for coal miners and a A\$1 per tonne federal government levy on steaming coal exports imposed last August. Mr Wran conceded that loading and shipping facilities at Newcastle will have to be improved before the new mines come on stream. Congestion at the port frequently leaves as many as 30 ships waiting to load coal anchored offshore waiting for a berth.

Harmony pays a 50c final

A REDUCED final dividend of 50 cents (50p) for 1981 is declared by Harmony, the South African gold and uranium producer in the Rand Mines group. The latest payment is in line with expectations and makes a total of 210 cents for the year compared with 360 cents for 1980. Harmony shares were 530p yesterday.

JINGELLE GRADES ENCOURAGE PACIFIC COPPER

Canada's Pacific Copper Mines has reported some encouraging preliminary results from the exploration programme at its 100 per cent-owned tin-tungsten property at Jingelle in New South Wales. The average combined grade assayed so far is above the 1 per cent level, and the company is currently drilling ahead in an attempt to lift recoverable reserves to more than 500,000 tonnes.

Ayer Hitam has good first-half

BY KENNETH MARSTON, MINING EDITOR

ONE OF Malaysia's leading tin producers, Ayer Hitam, reports a net profit of M\$2.95m (£701,500) for the six months to December 31 which compares with M\$2.27m in the same period of the previous year. The latest earnings per share come out at 48 cents (11.4p) per share and the interim dividend is being reduced by 10 cents to 50 cents. Ayer Hitam benefited from both increased production and higher tin prices in the past half year but the dredges will be working in lower grade ground during the second half. Consequently the company expects some falling off in profits. A halved net profit of M\$312,000 before extraordinary items is reported by Tongkah Harbour Tin Dredging for the

Property deal ends at Rush & Tompkins

Rush and Tompkins, the property and building group, and Carroll Group, the Dublin-based cigarette and tobacco group, have ended their joint development of a Chelmsford property site.

The two groups have exchanged shares in two jointly-held subsidiaries with the effect that one, Dukes Park Industrial Estate, is 100 per cent owned by Rush and Tompkins while the other, Adamvale, is 100 per cent owned by Carroll.

The two companies set up the jointly-held groups in 1976. Since then, Dukes Park has been developing a 58-acre industrial estate while Adamvale has been developing 100-acre residential site adjoining the estate. To date, 480,000 sq ft of space has been developed on the industrial estate and 170 houses have been built on the residential land.

The two companies said that the share exchange is in line with Rush and Tompkins' policy of reducing its residential development activities and concentrating on commercial and industrial development. The exchange also complements the Carroll Group's policy of consolidating its residential land ownership in the south-east while expanding its commercial and industrial development programme.

Mr Peter Trev, a director of Rush and Tompkins, said yesterday that the amount of shares exchanged were "nominal".

Israeli gem imports

THE ISRAELI Ministry of Commerce and Industry has decided to permit the import into the country, duty and tax free, of polished diamonds from other cutting centres, reports our Tel Aviv correspondent. Israeli firms will be able to offer foreign diamond buyers the widest possible selection of finished goods. The imports will complement the output of the Israeli plants which concentrate largely on melee, ranging in size from 40 to two stone per carat, as well as "fancy" shapes and other special makes. Following the enactment of the new regulations, a number of foreign diamond firms have reported plans to establish trading offices in Tel Aviv. Israeli firms will also recover in exports of Israeli-cut stones was recorded in February when overseas sales exceeded \$80m, or 1 per cent above the same month of 1981. This brought aggregate exports for the first two months of this year to \$166m.

Stag results held steady

ACTION taken by Stag Furniture Holdings to improve the trading results at Avalon Furniture has led to a more satisfactory level of activity, the directors state. Group taxable profits for the year to December 25 1981 were lower at £1.34m against £1.47m previously after £708,000 (£844,000 at half-way). The directors point out that although trading losses at Avalon have been reduced, they have not yet been eliminated. Group trading continues to be difficult, they state, and there is no sign yet of any sustained improvement in demand. However, they add, sales and profits for the first two months of 1982 compare favourably with those

in the previous corresponding period. The final dividend has been held at 3.25p which repeats the total payment at 5p. Earnings per 25p share are slightly lower at 10.4p, compared with 12p. The balance sheet continues to show a strong, and liquid position, say the directors, with cash increased to £1.86m. Turnover remained steady at £27.91m, compared with £27.85m. Tax this time took £288,000 against £286,000. Retained earnings fell from £397,000 to £417,000. On a GCA basis, pre-tax profits were £1.11m.

comment Improved second-half results at Stag Furniture Holdings reflect the effects of corrective measures taken at Avalon. After two years of losses this offshoot, struggling at the highly competitive lower end of the furniture market, seems to have been finally put on course for a return to the black in the current year. No further re-shaping costs are anticipated following last year's relatively painless reorganisation with the 11 per cent cut in workforces achieved, mainly by natural wastage and related costs covered chiefly by a surplus on the sale of the Kingston factory. With insignificant debt, high liquidity and stocks under control the group is well able to mark time until demand revives—a strength underlined by a

Yearlings total £13.8m

Yearling bonds totalling £13.8m at 131 per cent redeemable on March 16 1983 have been issued this week by the following local authorities. Middleborough (Borough of) £0.5m; Sedgemoor DC £0.5m; Wokingham DC £0.75m; Worthing BC £0.5m; Slanau Gwent (Borough of) £0.5m; Gateshead (Borough Council of) £0.5m; High Peak (Borough of) £0.5m; Macclesfield DC £1.1m; Rushcliffe BC £0.75m; Glasgow (The City of) DC £2m; Allerdale DC £0.5m; Darlington BC £0.5m; West Yorkshire Metropolitan CC £0.75m; Trafford (Borough of) £0.5m; Wirral BC £1.25m; Cunningham DC £1m; Erewash (Borough of) £0.5m; Southwark (London Borough of) £0.5m; Sunderland (Borough of) £1m. Salford (City of) has issued £0.75m of 131 per cent bonds for redemption on March 7 1984.

'Reasonable' year for John Hadland

Despite cautious budgets for the current year, Mr John Hadland, chairman of John Hadland Holdings, electrical camera concern, says the group will again make a reasonable profit. He tells members in his annual review that it is evident that the pattern of profitability which occurred in 1980/81—a loss in the first half which was more than recovered in the second six months—will recur. First quarter trading has been poor, he says, but the directors expect to see a reasonable recovery during the next few months and believe your company will produce half-year results slightly better than those of last year.

As reported on February 18, following a pre-tax loss of £66,000 (£229,000 profit) at midway, the group moved back into the black during the second half and finished the October 31 1981 with a surplus of £189,242 (£514,610). The company's shares are traded on the Unlisted Securities Market.

Yearlings total £13.8m

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HILL SAMUEL LAUNCHES TRUST

Hill Samuel is to launch a new natural resources trust which will invest worldwide in companies operating in the energy, mining and commodity fields.

A FINANCIAL TIMES SURVEY
LATIN AMERICAN SURVEYS 1982

Publication Date 1982	Survey
March 22	Mexico
May 12	Latin American Insurance
April 6	Venezuela
April 20	Latin American Energy
June 29	Latin American Banking and Finance
July 6	Panama
October 6	Peru
November 30	Brazil
December 15	Andean Pact
D.T.B.A.	Regional Development in Mexico

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FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

DEREK CROUCH LIMITED
Results for the Year Ended 31st December, 1981

	1981 £'000	1980 £'000
Turnover	54,693	65,700
Earnings before Tax and Interest	4,494	5,384
Interest Payable	2,025	2,340
Earnings before Tax	2,469	3,044
Earnings after all charges and taxation	1,197	1,437
Dividends	630	490
Earnings per Share	9.62p	11.41p

Mr. Derek Crouch, Chairman, said: 1981 was the most difficult year in the Company's history. Our work last year was aggravated generally by high interest rates, low demand, soft markets and finally by the worst December weather recorded. Power Inc., the Company carrying out opencast coal mining in Central Pennsylvania in which Derek Crouch holds a 60 per cent share, made a trading profit of 2,583,000 dollars. With interest rates averaging 22 per cent, interest payments were 2,984,000 dollars leaving a small operating loss of 281,000 dollars. However, capital repayments totalling 2,638,000 dollars were made during 1981, which should lead to an improvement later this year. Whilst opencast mining operations in the U.K. remain satisfactory, during the second half of the year the Construction Company suffered a sudden and totally unexpected deterioration in its trading position. This was largely attributable to problems with a number of local authority housing contracts, the prolongation of an industrial contract in the South Midlands and the over-run of a substantial contract in the North West, the costs of which have not yet been re-imbursed. In common with other contractors, we are meeting increasing resistance from architects and clients to the settlement of our contractual entitlements. Every device is being used to delay the payment of accounts. Claims are being prepared with an approximate value of £2.5 million. We are advised that these are soundly based, and they will be vigorously pursued. The Company is now diversifying into private sector construction to reduce its traditional dependence in the public sector. Dividend Recommended final 3.42p per share making a total for the year of 5.05p per share. Copies of the Annual Report can be obtained from the Secretary at Peterborough PEG 7UW.

NOTICE TO THE HOLDERS OF PARIBAS SUISSE (BAHAMAS) LIMITED

6 1/2% Convertible Debentures 1980-1990 of U.S.\$1.225 principal amount each, convertible into Bearer Shares of BANQUE DE PARIS ET DES PAYS-BAS (SUISSE) S.A.

Pursuant to our publication on February 4, 1982, of an announcement relative to a capital increase of Banque de Paris et des Pays-Bas (Suisse) S.A. from SF 180,000,000 to SF 270,000,000, we notify you hereby that the subscription of the new 900,000 Bearer Shares of SF 100 par value has been duly completed on March 4, 1982 at 12 a.m.

Consequently, in conformity with provisions of the Trust Deed governing the above-mentioned Debentures, the conversion price will be adjusted by deducting from the original conversion price of \$1.225 for five Bearer Shares the amount of \$334.29 which is the average of the last paid prices on the Geneva Stock Exchange of five Rights. Thus, the new conversion price will be \$890.71 for five Bearer Shares and upon any future conversion, Debenture holders will be paid the amount of \$334.29 per Debenture in cash. Such adjustment becomes effective on March 9, 1982, on which date the right of conversion of the Debentures becomes exercisable again.

BANQUE DE PARIS ET DES PAYS-BAS (SUISSE) S.A. Geneva, March 9, 1982.



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Companies and Markets

BIDS AND DEALS

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TENDERS MUST BE LODGED AT THE BANK OF ENGLAND, NEW ISSUES (A), WATLING STREET, LONDON, EC4M 8AA NOT LATER THAN 10.00 A.M. ON FRIDAY, 13TH MARCH 1982.

ISSUE BY TENDER OF £750,000,000 2 per cent INDEX-LINKED TREASURY STOCK, 1988

PAYABLE AS FOLLOWS: Deposit with tender £500 per cent Balance of purchase money £200 per cent

1. The Stock is an investment falling within Part II of the First Schedule to the Trustee Investments Act 1961. Application has been made to the Council of the Stock Exchange for the Stock to be admitted to the Official List.

ISSUE BY TENDER OF £750,000,000 2 per cent Index-Linked Treasury Stock, 1988

TO THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND 1. I/We tender in accordance with the terms of the prospectus dated 9th March 1982 as follows: Amount of above-mentioned Stock tendered for, being a minimum of £100 and in a multiple as follows: 1. NOMINAL AMOUNT OF STOCK

Huntley says £75m bid is "wholly inadequate"

BY RAY MAUGHAN

DETAILING the reasons why the £75m offer from Rowntree Mackintosh is "wholly inadequate," the chief executive of Huntley and Palmer Foods, Dr Keith Bright, tells shareholders that "the future benefits of your company's recent acquisitions and of its rationalisation programme should not be allowed to fall into the hands of Rowntree Mackintosh."

The unaided results for last year, however, are regarded as "disappointing" although the outcome for 1982 is expected to be satisfactory. Profits last year amounted to £8.5m on sales of £98.3m. This contrasts with a total of £7.2m in the previous year which had been depressed by £1.6m of European losses.

HME division fetches £4.4m

THE DIRECTORS of Harrisons Malaysian Estates (HME) say agreement has been reached by the London Asiatic Rubber and Produce Company, a subsidiary operating in Malaysia, for the sale to Asatulin Sdn. Berhad of its Braemar division.

ISSUE BY TENDER OF £750,000,000 2 per cent Index-Linked Treasury Stock, 1988

TO THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND 1. I/We tender in accordance with the terms of the prospectus dated 9th March 1982 as follows: Amount of above-mentioned Stock tendered for, being a minimum of £100 and in a multiple as follows: 1. NOMINAL AMOUNT OF STOCK

The year. Volume fell by some 11 per cent, he said, and Huntley's Smiths Crisps subsidiary temporarily lost some important accounts such as KwikSave and Tesco.

The bid reaches its first closing date next Thursday, three weeks after the formal documents were published and any decision by the Office of Fair Trading regarding a reference to the Monopolies Commission is expected early next week.

LEADERFLUSH

The Local Planning Authority has confirmed that planning permissions granted in 1995 and 1996 on a 6.78 acre site at Towell, Nottinghamshire, owned by Huntley and Palmer Foods, are still valid, and the site continues to be available for commercial development.

ISSUE BY TENDER OF £750,000,000 2 per cent Index-Linked Treasury Stock, 1988

TO THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND 1. I/We tender in accordance with the terms of the prospectus dated 9th March 1982 as follows: Amount of above-mentioned Stock tendered for, being a minimum of £100 and in a multiple as follows: 1. NOMINAL AMOUNT OF STOCK

NEWS ANALYSIS: GREAT NORTHERN-RIT MERGER Creating a sizeable investment

BY RICHARD LAMBERT



Mr. Jacob Rothschild, new executive chairman

THE merger of Great Northern Investment Trust and RIT, two independent investment trust groups, will create a sizeable new investment institution. Combined assets of the enlarged group will total around £550m, and total funds under management—including unit trusts and life funds—will be between £400m and £500m.

CRODA INTL.

Croda International yesterday announced the acquisition of 14.99 per cent holding in the speciality chemicals group following the failure of Burnham's £70m cash bid.

SHARE STAKES

Estel Group—Mr N. C. Roids, director, disposed of 70,000 shares (0.36 per cent). Mr Roids now holds 157,310 shares (1.36 per cent).

holdings. The quoted portfolio will amount to about £190m. Mr Rothschild said there were no immediate plans for changing the portfolio. "But, if we see any big opportunities—and there should be some, particularly in the U.S. over the next year or two—then we will be in a position to have a go."

BASE LENDING RATES

Table of base lending rates for various banks including AIB Bank, Allied Irish Bank, American Express, Anro Bank, etc.

M. J. H. Nightingale & Co. Limited

Table of investment data for M. J. H. Nightingale & Co. Limited, including columns for High/Low, Company, Price Change, Gross Yield, and Fully Paid.

Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

\$300m credit expected for Venezuelan utility

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

AMID continuing confusion over its medium-term borrowing plans, Venezuela is expected to announce shortly a \$300m, eight-year Eurocredit for its state power company, Edelca.

oil prices Venezuela seems in no hurry to raise fresh medium-term funds from other sectors of the Eurocredit market.

decline in world oil prices. One of the hallmarks of Venezuela's borrowing programme remains its unpredictability, and "anything could happen," one banker was heard to say.

\$100m bond for Gulf Canada

BY OUR EUROMARKETS STAFF

A \$100m 10-year Eurodollar bond is being launched for Gulf Canada, the Canadian subsidiary of Gulf Oil. The issue will carry a 14 1/2 per cent coupon at par and lead manager is Morgan Grenfell.

market quotations. The 14 1/2 per cent pricing at par appears to have met with the market's approval.

the Eurosterling sector a \$30m issue is out for consideration. The Swiss Franc D-mark deposit rate fell 1/4 per cent to 9 1/4 per cent.

Shake-up at American Express bank unit

By Alan Friedman

AMERICAN EXPRESS International Banking Corporation (AIBIC) the wholly-owned foreign bank subsidiary of American Express, has dismissed 21 executives in a major management shake-up.

Among those departing are Mr Bill Beam, an executive vice-president in charge of the bank's network of branches in 35 countries. Mr Alfred Beadleston, a senior vice-president in charge of wholesale banking business, is another departing Amex bank executive.

Intel to enter market for office computer systems

BY LOUISE KEHOE IN SAN FRANCISCO

INTEL, the Silicon Valley chip maker which is best known for its microprocessors, is about to enter the office computer systems market. At its annual meeting in Phoenix, Arizona, today, Intel is expected to announce the first product of its newly formed commercial systems operation, a computer for use in small business and office applications.

industry analysts say that the days of the "pure" chip makers are numbered, and that U.S. semiconductor companies must become "vertically integrated" offering a range of electronics products built around their chips in order to maintain profitability in the face of foreign competition.

Intel has over the past year gradually been moving towards the commercial computer business. Last November the company introduced its first small general purpose computer. The new product will be aimed at a particular application, data base management. The new Intel product will build up to existing or new computers to increase the speed and efficiency with which the computer can find and process information from large data stores.

Du Pont stake boosts Seagram

By Robert Gibbens in Montreal

SEAGRAM COMPANY, the world's largest distiller which last year took a 20 per cent interest in ET Du Pont de Nemours, has reported a gain in earnings for the first half of fiscal 1982. Net income was US\$ 185.9m, or \$5.02 per share, against income from continuing operations of \$126.6m, or \$3.61 per share, a year earlier.

The latest period to January 31 includes \$1.27 per share, representing equity in the earnings of Du Pont. Last year Seagram, controlled by the interests of Edgar and Charles Bronfman, acquired 20 per cent of Du Pont after failing to get control of Conoco in a three-cornered tussle with Du Pont and Mobil. Later Seagram made an agreement to lift this holding to a maximum of 25 per cent. The 20 per cent holding came from the exchange of Conoco shares.

Revenues in the latest period were \$1.6bn against \$1.5bn. Average shares outstanding in the first half were 33m against 33m, as a result of Seagram's recent acquisition of its own stock.

Woolworth shows halved profits for fiscal 1981

BY PAUL BETTS IN NEW YORK

R. W. WOOLWORTH, the large U.S. retailer, reported yesterday a sharp decline in earnings in both the final quarter and its latest fiscal year.

Net income in the final quarter ended January 31 was nearly halved to \$58m from \$109m in the final period of the previous year. For the full year, net income was also nearly halved to \$22m from \$156m the year before.

Armco delays expansion in tubular goods

By David Lascalle in New York

ARMCO, the large U.S. steelmaker, has decided to postpone a \$671m plan to increase seamless tubular goods production capacity because of the poor state of the economy and high interest rates.

Receiver for Fieldcrest Irish plant

By Brendan Keenan in Dublin

THE IRISH Industrial Development authority (IDA) is looking for a buyer to take over the Fieldcrest textile plant at Killybeggs, which went into receivership yesterday.

Sears plans discount issues

BY OUR NEW YORK STAFF

SEARS ROEBUCK, the U.S. retailer, is planning two offerings of original issue discount (OID) bonds with a total face value of \$600m. The offering will be one of the largest OID issues to reach the market.

The offerings comprise \$300m of 6 per cent debentures due in 1993 and a similar amount of 6 per cent bonds due in 2000. Proceeds from the sale, which is managed by Goldman Sachs and Dean Witter Reynolds, Sears' newly acquired Wall Street subsidiary, will be used initially to reduce short-term borrowings.

Private sector Mexican debt up by \$4.1bn

By William Chislett in Mexico City

MEXICO'S PRIVATE sector, which is struggling to meet the external requirements of its dollar debts caused by the recent 40 per cent devaluation of the peso, increased its external debt by \$4.1bn in 1981, according to the Bank of Mexico's 1981 report.

The central bank, however, did not reveal a total for private sector external debt. In 1980 the sector borrowed \$5.6bn net.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Tuesday March 23.

Table with columns: U.S. OIGLAR STRAIGHTS, Issued, Bid, Offer, Day, Week, Yield. Lists various bond issues like Amstar-Banc 10 1/2, APF Inc. Co. 17 1/2, etc.

Table with columns: OTHER STRAIGHTS, Issued, Bid, Offer, Day, Week, Yield. Lists various bond issues like Amstar-Banc 10 1/2, APF Inc. Co. 17 1/2, etc.

Table with columns: DEUTSCHE MARK STRAIGHTS, Issued, Bid, Offer, Day, Week, Yield. Lists various bond issues like Australia 9 1/2, Belgium 11 1/2, etc.

Table with columns: CONVERTIBLE, Cw, Cw, Bid, Offer, Day, Week, Yield. Lists various convertible bond issues like Aimonote 11 3/4, Baw Valley Inv 9 3/4, etc.

Table with columns: YEN STRAIGHTS, Issued, Bid, Offer, Day, Week, Yield. Lists various bond issues like Asahi Denki 8 1/2, Dai Nippon 8 1/2, etc.

Information regarding bond issues, including notes on conversion, interest, and market conditions.

Large advertisement for 'The Kingdom of Denmark' featuring a coat of arms and text about a US \$250,000,000 Medium Term Loan. Lists participating banks like Girozentrale und Bank der österreichischen Sparkassen AG, Gulf International Bank B.S.C., etc.

INTERNATIONAL COMPANIES and FINANCE

We are pleased to announce the election of SCOTT E. PARDEE Executive Vice President as a member of our Board of Directors DISCOUNT CORPORATION OF NEW YORK 58 Pine Street, New York, N.Y. 10005

Companies and Markets

Dividend cut by German metal group

By Kevin Done in Frankfurt METALLGESSELLSCHAFT, the West German metals, chemicals, transport, and mechanical engineering group, has cut its dividend by a third to DM 4 per share following a drop of 41 per cent in parent company after-tax profits last year.

Hoechst maintains payout despite earnings setback

BY JONATHAN CARR IN BONN

HOECHST, one of West Germany's "big three" chemical groups, proposes to pay an unchanged dividend for 1981 of DM 7 per share, despite a sharp cut of 20.7 per cent to DM 715m (\$304m) in parent company pre-tax profits.

Hoechst said its group turnover worldwide rose by 15.1 per cent to DM 34.4bn—based on a rise of 20.7 per cent abroad and only 2.6 per cent at home. Group pre-tax profits in 1980 totalled DM 1.25bn.

Threefold advance at Banco Ambrosiano

By Rupert Cornwell in Rome

BANCO AMBROSIANO, the cornerstone of the financial group controlled by Sig. Roberto Calvi, yesterday reported a more than threefold rise in net profits last year to 1.43.5bn (\$58m) from the 1.13.5bn achieved in 1980.

Alfa Romeo lay-offs accepted

BY JAMES BUXTON IN ROME

ALFA ROMEO, the troubled Italian carmaker, has reached agreement with trade unions on large scale lay-offs and closures aimed at curbing surplus production and reducing the state-owned company's heavy losses.

Alfa, whose sales last year were about \$1.6bn is following in the footsteps of Fiat, Italy's largest car-maker, whose productivity and profitability have improved substantially since a showdown with the trade unions led to the lay-off of 23,000 men in autumn 1980.

Philips refines its accounting

BY BARRY RILEY

PHILIPS, the Dutch-based multinational, has unveiled the first major changes in its accounting policies for 10 years. The group has long been known as an international pioneer of replacement cost accounting, and has now developed the system further by incorporating a gearing adjustment and other changes.

Creditanstalt to pay same

By Paul Lendvai in Vienna

CREDITANSTALT, Austria's largest bank, plans to hold its dividend at 10 per cent following an increase in profits for 1981.

Steady growth at Arab Banking Corporation

BY MARY FRINGS IN BAHRAIN

ARAB Banking Corporation (ABC) yesterday declared a profit for its first 22 months of operation of \$138.5m. After deducting the previous year's interim profit of \$95m, this leaves net earnings for 1981 of \$83.5m.

Amro faces flat year

By Our Financial Staff

AMSTERDAM - Rotterdam Bank, one of the big three Dutch commercial banks which last month reported lower profits for 1981, expects the current 12 months to prove equally unexciting.

Profits fall but payment lifted at Stora Kopparberg

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

STORA KOPPARBERG, the forest products group, reports a SKr 147m slump in pre-tax earnings to SKr 483m (\$80m) for 1981 but the board proposes to follow other Swedish companies by raising the dividend from SKr 12.50 to SKr 14 a share.

Income plunges by 30% at Swedish steel group

BY OUR NORDIC EDITOR

SANDVIK, the Swedish cemented carbide and steel group, yesterday reported a 30 per cent fall in pre-tax profit from SKr 746m to SKr 519m (\$90m) in 1981. The board, however, proposes to continue its policy of annual dividend increases by paying shareholders SKr 10 a share against SKr 9 for 1980.

NIPPON SHEET GLASS COMPANY, LIMITED Osaka/Japan DM 30,000,000 7% Deutsche Mark Convertible Bonds of 1982/1987

U.S. \$400,000,000 American Telephone and Telegraph Overseas Finance N.V. 14 3/4% Guaranteed Debentures Due 1989

Weekly net asset value Tokyo Pacific Holdings (Seaboard) NV. March 8th 1982, U.S. \$ 58.58

FYI Fuqua Overseas Finance N.V. U.S. \$50,000,000 Guaranteed Floating Rate Notes due 1987

Companies and Markets **INTL. COMPANIES & FINANCE**

Foreign insurers given ultimatum by Malaysia

BY WONG SUI-LONG IN KUALA LUMPUR

THE MALAYSIAN government has given foreign insurance companies until April 15 to submit proposals to restructure their Malaysian operations in accordance with the New Economic Policy (NEP).

Under the policy, foreign companies have to restructure their equity to reflect a 30:40:30 mix by 1990, that is 30 per cent Bumiputras (indigenous Malays), 40 per cent non-Malay residents and 30 per cent foreigners.

Failure to comply could result in the Government enforcing mergers of the foreign branch offices, suspension of business, and even the cancellation of licences, warned Tengku Razaleigh, the Finance Minister, at a meeting of representatives of the insurance industry in Kuala Lumpur on Tuesday.

He pointed out that a deadline of December 31 1981 had originally been fixed, but many had not complied.

There are currently 65 insurance companies in Malaysia, 24 of which are foreign-owned, nine are Singaporean, five from Hong Kong, four from the UK, three from the U.S., and the rest from New Zealand, Holland and France. The foreign companies handle as much as 80 per cent of Malaysia's insurance business.

The four UK insurance companies in Malaysia are General Accident, London Assurance, Provincial Insurance, and Prudential Assurance. Other UK insurance companies have converted their Malaysian branches into Malaysian-incorporated companies and taken in local partners.

Tengku Razaleigh said the foreign companies need not comply with the New Economic Policy immediately, but they must submit by April 15 proposals to indicate that they would reach the NEP targets by 1990.

The proposals must also include information on restructuring the board and management of companies to reflect adequate Malaysian participation.

Malaysian-owned companies will also have to submit proposals showing how they plan to take in the 30 per cent Malay equity by 1990.

The Finance Minister also announced that a bill would be introduced in the latter part of this year to strengthen the insurance industry. The present minimum paid-up capital of 1m ringgit (US\$431,000) would be increased to at least 5m ringgit for both life and general insurance companies.

Asahi Chemical to buy rest of Asahi Dow

By Richard C. Hanson in Tokyo

ASAHI CHEMICAL Industry, a leading Japanese manufacturer of synthetic resins, will buy about ¥42bn (\$177m) to acquire the shares held by Dow Chemical of the U.S. in a long-standing joint venture in Japan, Asahi Dow.

Asahi Dow, which was established 30 years ago as a 50-50 venture, produces styrene resins and such products as styrofoam and plastic wrap. Last year the company, which employs 2,600, had sales of ¥142.1bn (\$600m) and a net profit of ¥4bn.

Asahi said it would retain the company as a 100 per cent owned producer of styrene resins, the raw material for styrofoam. Dow Chemical, which has extensive interests in Japan, will take up on its own the production of styrofoam as part of its strategy of concentrating on specialty products in Japan.

The transfer of shares is set to take place on June 1. Asahi said the ¥42bn figure includes payments for technology.

Singapore bank lifts earnings

By Georgie Lee in Singapore

THE DEVELOPMENT Bank of Singapore, one of the "big four" of the Republic's banks, has reported a 62 per cent increase in group net profit in 1981 to S\$12.74m (U.S.\$54m).

Pre-tax group profits rose by 58.8 per cent to S\$188.36m.

Operating income increased by 59 per cent to S\$942.95m while operating expenses and provisions grew at the same rate to S\$754.6m.


Parent bank results followed a similar trend with net profit rising by 64.9 per cent to S\$103.1m.

In the first half of 1981, group pre-tax profit was S\$76.85m while net profit was S\$46.3m.

DBS has proposed a final gross dividend of 8 per cent making a total of 16 per cent for the year, compared with 15 per cent previously.

Total assets of the Government-controlled group expanded by 57 per cent to S\$11.3bn while capital and reserves rose 14 per cent to S\$725.6m.


This announcement appears as a matter of record only. January, 1982



DAEWOO CORPORATION
US\$80,000,000 LOAN

Lead Managed by:

American Express Bank International Group	The Bank of Yokohama, Ltd.
Managed by:	
Dow Finance Corporation Limited	Kleinwort, Benson Limited
Northwestern National Bank of Minneapolis	
Co-managed by:	
The Cho-Heung Bank, Ltd.	The Commercial Bank of Korea, Ltd.
Banque Internationale A Luxembourg Societe Anonyme	KB Luxembourg (Asia) Ltd
The Riggs National Bank of Washington, D.C., Nassau Branch	The Wales Australia Limited, Hong Kong (Wholly owned by Bank of New South Wales)
Provided by:	
American Express International Banking Corporation	The Bank of Yokohama, Ltd.
Dow Finance Corporation Limited	Kleinwort, Benson Limited
Northwestern National Bank of Minneapolis	The Cho-Heung Bank, Ltd., (NY)
The Commercial Bank of Korea, Ltd.	Banque Internationale A Luxembourg Societe Anonyme
Kreditbank Luxembourg (Pacific) Ltd.	The Riggs National Bank of Washington, D.C., Nassau Branch
The Wales Australia Limited, Hong Kong (Wholly owned by Bank of New South Wales)	The Northern Trust Company
American Security Bank International (Nassau), Limited	Arab Bank For Investment And Foreign Trade (ARBIT), Abu Dhabi
Australia-Japan International Finance Limited	Bank of Baroda, Offshore Banking Unit, Bahrain
The Bank of Canton, Limited	Bank of Scotland
C.B.C. International Finance (Asia) Limited (Wholly-owned subsidiary of The Commercial Banking Company of Sydney Limited)	Girard Bank
Indian Overseas Bank	Manufacturers National Bank of Detroit
National Bank of North America	The National Bank of Washington, Washington, D.C.
Rainier National Bank	Shawmut Bank of Boston, N.A.
Union De Banques Arabes et Francaises - U.B.A.F. Bahrain	British Columbia Financial Corp. (B.C.F.C.) Limited (A wholly-owned subsidiary of The Bank of British Columbia)

Agent:
 **American Express International Banking Corporation**

Major board changes at UMBC

BY OUR KUALA LUMPUR CORRESPONDENT

THERE HAS been a majorities in the Government, the two biggest shareholders of UMBC United Malay Banking Corporation (UMBC), Malaysia's third largest bank, including the appointment of Mr Rahman Hamid as its new executive chairman.

He has replaced Tengku Shariman, the part-time chairman, who now becomes full-time head of Pemas, the Government investment and trading organisation.

Under a deal between the Malay and Chinese political par-

Government-controlled banks by the new Malaysian leadership.

Dr Nawawi Mat Amin, chairman of the Economic Bureau of the ruling United Malays National Organisation, is widely tipped to take over from Tan Sri Kamarul Ariffin, an executive chairman of Bank Bumiputra, Malaysia's largest bank, after the bank's annual meeting at the end of the month. Dr Nawawi is a close political ally of Dr Mahathir, the Prime Minister.

Marginal interim rise for Wormald

BY OUR FINANCIAL STAFF

WORMALD INTERNATIONAL, the Australian security and fire protection equipment maker, has reported only a marginal increase in interim net profits, partly because of industrial disputes.

Net profits were A\$10.5m (U.S.\$11.4m) for the six months ended December 31, against A\$10.36m a year earlier. Sales increased at the same rate—1

per cent—to A\$362.3m from A\$360.01m.

The labour disputes were both in the company and in areas where it has contracts. Most disputes directly involving Wormald have been settled and with a reasonable order book in hand the company expects to exceed the full-year net profits of A\$26.8m of fiscal 1981.

The company will pay an unchanged interim dividend of 10 cents a share out of earnings of 17 cents a share on capital raised by a one-for-five scrip issue in the period.

Pre-tax profits were A\$18.94m, up 12 per cent from a year earlier. Tax was A\$8.54m (A\$6.68m a year ago), depreciation A\$4.76m (A\$5.09m), interest A\$10.08m (A\$11.71m), and minorities A\$899,000 (A\$814,000).

New company to keep glycol project alive

By Our Financial Staff

THE SINGAPORE Government and other shareholders in a major petrochemical project in the republic have agreed to form a new company to keep the project alive following the withdrawal last month of Mitsui Petrochemical Industries of Japan. But they have yet to decide on the exact shareholdings.

Mitsui dropped its 15 per cent stake in the Y200bn (U.S.\$650m) ethylene glycol plant which is part of a complex being built on the Ayer Merbau island, because it said competition from the U.S. and Canada would make it unprofitable.

The Government, with a 28 per cent stake, had suggested Mitsui's share be divided equally among the remaining partners. Agreement is still being sought.

The others are Royal/Dutch Shell (20 per cent), Mitsubishi Petrochemical (18 per cent), Japan Catalytic Chemical (17 per cent), and Sumitomo Chemical (2 per cent).


Growth for French Bank

By Jim Jones in Johannesburg

FRENCH BANK, the South African commercial bank which is 54.5 per cent-owned by Banque De l'Indochine et de Suez and 30 per cent by the mining house, Oencor, increased its profit after provisions and transfers to R2.18m (\$2.14m) in 1981 from R1.57m.

The bank raised R2.5m of additional equity capital in the year with a rights issue of 2.4m shares at 105 cents each. As a result the number of ordinary shares in issue has risen to 10.4m. The dividend total has been increased to 12 cents from 10.5 cents. Earnings per share rose to 26.49 cents from 19.6 cents.

This announcement appears as a matter of record only. February 1982




Huarte y Cia. S.A.
Iraq Hospital Project

Iraqi Dinars 8,952,988
(US\$30.2 Million)
Guarantee Facility

Lead Managed by:

American Express Bank International Group	Banco Saudi Español (Saudesbank)
Banco Saudi Español (Saudesbank)	Caja de Ahorros y Monte de Piedad de Barcelona (Caixa de Barcelona)
Provided by:	
American Express International Banking Corporation	Banco Saudi Español (Saudesbank)
Caja de Ahorros y Monte de Piedad de Barcelona (Caixa de Barcelona)	Saudi International Bank
Bank of Tokyo International Limited	Al-Bank Al-Saudi Al-Alami Limited
Barclays Bank International Limited (Bahrain Offshore Banking Unit)	Banque Nationale de Paris Group (Banca Lopez Quesada S.A.)
Continental Illinois National Bank and Trust Company of Chicago	Citibank NA (Sucursal en España)
Crédit Lyonnais (Sucursal en España)	Crédit Commercial de France
	Société Générale de Banque en Espagne

Agent:
 **American Express International Banking Corporation**

NOTICE TO HOLDERS OF ORIENT FINANCE CO., LTD.
(KABUSHIKI KAISHA ORIENT FINANCE)

5% Sterling/U.S. Dollar Payable Convertible Bonds Due 1985

Pursuant to Clause 7(B) of the Trust Deed dated 22nd August 1980, notice is hereby given as follows:—

- A free distribution of Shares of the Company will be made to shareholders registered on 31st March 1982 at 5:00 p.m. (Japan time) at the rate of 0.3 Shares for each Share then held.
- As a result of such distribution the Conversion Price at which the above-mentioned Bonds may be converted into Shares of the Company will be adjusted, in accordance with Condition 5(c) of the Terms and Conditions of the Bonds, effective as of 1st April 1982, Japan time, from Yen 795.30 per Share to Yen 611.70 per Share.

Dated: 11th March 1982

ORIENT FINANCE CO LTD
By The Daiwa Bank Limited
as Principal Paying Agent

Notice to Holders of ORIENT FINANCE CO., LTD.
(KABUSHIKI KAISHA ORIENT FINANCE)

5 1/2% Per Cent Convertible Bonds Due 1997

Pursuant to Clause 7(B) of the Trust Deed dated 2nd February 1982, notice is hereby given as follows:—

- A free distribution of Shares of the Company will be made to shareholders registered on 31st March 1982 at 5:00 p.m. (Japan time), at the rate of 0.3 Shares for each Share then held.
- As a result of such distribution, the Conversion Price at which the above-mentioned Bonds may be converted into Shares of the Company will be adjusted, in accordance with Condition 5(c) of the terms and conditions of the Bonds, effective as of 1st April 1982, Japan time, from Yen 1,597 per Share to Yen 1,295.40 per Share.

Dated: March 11, 1982

ORIENT FINANCE CO., LTD.
By Daiwa Bank Trust Company
as Principal Paying Agent

APPOINTMENTS

Engineering chief for British Petroleum

Mr David A. Clayton, at present a director of BP Chemicals, will become chief executive of engineering...

Mr James T. Larkin has been named president, consumer financial services group, Europe/Middle East/Africa...

Subject to formal Stock Exchange approval, Mr R. H. Harris, Mr R. H. Thomas and Mr P. T. Tucker will be joining the partnership of PINCHIN, DENNY AND CO. stockbrokers...

VELCOURT has appointed West German plant physiologist Dr Hermann Einfeld as a director...

Mr Derek Dawes has retired as a director and chairman of A. E. HADLEY, shopfitters, Portsmouth...

Mr J. A. Lesser, a director of J. Henry Schroder Wagg and Co., has been appointed chief executive of CZARNIKOW...

FT UNIT TRUST INFORMATION SERVICE

OFFSHORE & OVERSEAS FUNDS
S.E. Europe Obligations S.A.
Eurostar Investments Ltd.
Adig Investment
Albany Fund Management Limited
For Alexander Fund...

£ wavers, \$ falls

Sterling showed an easier tendency in currency markets yesterday. There was no pressure however and it tended to drift in a market lacking any firm trend...

The dollar was also easier despite a firmer tendency in Euro-dollar rates with the market ready to look ahead to tomorrow's U.S. money supply figures...

The Belgian franc fell below the D-mark in the European Monetary System yesterday, to become the weakest member...

ABERDEEN AMERICAN has appointed two directors, Mr Arlie Winn, who retires from Shell Oil this month...

Mr Malcolm Ford has been re-appointed as a full-time member of the board of the BRITISH NATIONAL OIL CORPORATION for a further period of three years...

Mr J. R. Crickman has been appointed an additional non-executive director of AQUIS SECURITIES.

THE POUND SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, % Three months, % Six months. Includes data for U.S., Canada, Belgium, Denmark, Ireland, W. Ger., Portugal, Spain, Italy, France, Greece, Japan, Austria, Switzerland.

THE DOLLAR SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, % Three months, % Six months. Includes data for U.K., Ireland, Canada, Belgium, Denmark, W. Ger., Portugal, Spain, Italy, Norway, Sweden, Japan, Austria, Switzerland.

UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currencies.

CURRENCY MOVEMENTS

Table with columns: Mar. 10, Bank of England, Morgan Guaranty, Mar. 9, Bank of England, Special Drawing Rights, European Currency Unit.

CURRENCY RATES

Table with columns: Mar. 10, Bank of England, Morgan Guaranty, Mar. 9, Bank of England, Special Drawing Rights, European Currency Unit.

Based on bank selling rates for London. Forward rates for periods other than 12 months are based on the bank's forward rates for the period concerned.

OTHER CURRENCIES

Table with columns: Mar. 10, Note Rates. Includes data for Argentina, Australia, Brazil, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, India, Ireland, Italy, Japan, Korea, Kuwait, Malaysia, New Zealand, Norway, Singapore, South Africa, Sweden, Switzerland, Taiwan, Thailand, U.K., U.S., Yugoslavia.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Currency, % change, % change against ECU, % change against ECU, Divergence from %.

Change in ECU, therefore positive change denotes a weak currency. Adjustments calculated by Financial Times.

EXCHANGE CROSS RATES

Table with columns: Mar. 10, Pound Sterling, U.S. Dollar, Deutsche Mark, Japanese Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Canadian Dollar, Belgian Franc.

FT LONDON INTERBANK FIXING (11.00 a.m. MARCH 10)

Table with columns: 3 months U.S. dollars, 6 months U.S. dollars, bid 14 1/8, offer 14 3/4, bid 14 1/8, offer 14 3/4.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Table with columns: Mar. 10, Sterling, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, West German Mark, French Franc, Italian Lira, Convertible, Japanese Yen.

BF (financial) - short-term 12-13% per cent; seven days' notice 12-13% per cent; one month 12-13% per cent; three months 12-13% per cent; six months 12-13% per cent; one year 12-13% per cent.

MONEY MARKETS

London clearing bank base lending rate 12 1/2 per cent. In the morning the authorities bought £268m of bills by way of £4m bank bills in band 1 (up to 14 days maturity) at 12 1/2 per cent...

MONEY RATES

Table with columns: Mar. 10, 1982, Sterling, Certificate of deposit, Local authorities, Finance House Deposits, Company Deposits, Discount, Treasury Bills, Eligible Bank Bills, Fine Trade Bills.

Dealing rates cut

London clearing bank base lending rate 12 1/2 per cent. In the morning the authorities bought £268m of bills by way of £4m bank bills in band 1 (up to 14 days maturity) at 12 1/2 per cent...

Firmer trend

Gold rose \$5 1/2 an ounce from Tuesday's close in the London market. In the morning the authorities bought £268m of bills by way of £4m bank bills in band 1 (up to 14 days maturity) at 12 1/2 per cent...

LONDON MONEY RATES

Table with columns: Mar. 10, 1982, Sterling, Certificate of deposit, Local authorities, Finance House Deposits, Company Deposits, Discount, Treasury Bills, Eligible Bank Bills, Fine Trade Bills.

NEW YORK

Table with columns: Overnight, 7 days notice, 14 days notice, 1 month, 2 months, 3 months, 6 months, 1 year.

FRANCE

Table with columns: Intervention rate, Devisenrate, Three months, Six months, One year.

JAPAN

Table with columns: Discount rate, Call (unconditional), Bill discount (three-month).

NOTES

Prices are in pence unless otherwise indicated. Figures in brackets show the amount of the issue. Figures in italics show the amount of the issue in millions of pounds.

FINANCIAL TIMES SURVEY

Thursday March 11 1982

FOUR-WHEEL DRIVE

Despite the effects of a world recession and oil price rises, the variety of light four-wheel-drive models now available almost parallels the car market. But, whereas this sector was traditionally dominated by the United States, the steady growth in world production is now led by Japanese manufacturers.

CONTENTS

United States: in the wake of the leisure boom	II	United Kingdom: foreigners offer a broad choice	IV
West Germany: competition for the home market	II	Comecon: great potential yet to be realised	IV
Spain: building a launching pad for exports	II	Range of vehicles: taking the rough with the smooth	VI
Japan: sales growing at a rapid pace	IV	Learning to drive a 4 x 4: ignorance can be costly	VI

Editorial production and design by Catherine Darby

Saloons: the shape of the future

By Kenneth Gooding
Motor Industry Correspondent

WORLD PRODUCTION of four-wheel-drive vehicles used to be dominated by the U.S. As recently as 1978 the States produced twice as many as the rest of the world put together.

By 1980, however, American output had dropped steeply, hammered by the oil price increases which virtually eliminated U.S. demand for light four-wheel-drive trucks used as pleasure vehicles. Meanwhile, production in the rest of the world had been steadily moving ahead, spearheaded by the Japanese, so that by 1980 U.S. and non-U.S. four-wheel-drive output was about equal.

While most car makers still view all-wheel-drive production as an operation away from the mainstream of their activities, the Japanese perceived that this type of vehicle gave them a way of gaining a foothold in some developing countries—particu-

larly markets where the import of built-up cars was unacceptable but utility vehicles were in a different category and therefore permitted.

Sending in four-wheel-drive vehicles enabled the Japanese to set up the semblance of a distribution network and prepare for the time when they could follow through with ordinary cars. As a result the Japanese have become the world's major manufacturers of four-wheel-drive vehicles and seven of the country's nine manufacturers are involved in the business in one way or another.

In 1980, the Japanese accounted for about 43 per cent of the worldwide output of all-wheel-drive vehicles, or around 358,000 out of 840,000. The indications are that they increased their share last year. And Toyota has now overtaken Jeep of the U.S. as the major individual producer with a 1980 output of 183,000 vehicles, against Jeep's 125,634.

In its heyday, Jeep's output was around 270,000 a year and the company is determined to make a come-back. The Jeep company became part of American Motors (AMC) in 1970 and more recently AMC has come under the control of Renault, the nationalised French group.

With Renault to help sort out its financial problems and share the development work on smaller and less thirsty cars for the U.S. market, AMC has been able to press on with four-wheel-drive developments. According to Mr Roy C. Lunn, the British-born vice-president

of product engineering for AMC, by the middle of next year his company will be ready to launch a Jeep that is "new from end to end." It will be lighter and a lot less thirsty. He says the newcomer has been designed to sell throughout the world and compete particularly with the Japanese products. "A major objective is to re-establish ourselves in export markets, to get some of the growth in the non-U.S. markets."

If AMC is to succeed, though, much will depend on a recovery in the U.S. market and whether it can get back to the 1978 level when around 1m four-wheel-drive vehicles were produced in the States. As with cars and commercial

vehicles, however, there is really no such thing as a "four-wheel-drive market." In its own way it is just as fragmented as the market for passenger cars and to a great extent parallels the car market in the variety of models available. They range from small runabouts offered by such companies as Daihatsu and Suzuki, through the work-horses represented by Land Rovers and Toyota Land Cruisers, to the executive-type Range Rover and "leisure" vehicles from the Americans.

Military development played a big part in the early days of four-wheel drive. The U.S. used them in 1916 in the Mexican war instead of mules, for example. It was not until June 1940, though, that the U.S.

Army drafted a specification for an "ideal" four-wheel-drive general-purpose vehicle and scout car. No fewer than 135 manufacturers were invited to bid but only two showed any interest and the contract went to one of them, Willys-Overland of Toledo, Ohio.

Since the 1930s the various all-purpose vehicles in the States had been called Jeeps, apparently after a character in the Popeye cartoons, and towards the end of the war Willys, which produced more than any other manufacturer (60,000 between 1941 and 1945).

As the American army spread its influence throughout the world during and after the war, so the universal potential of four-wheel-drive became appar-

ent. And today demand for the four-wheel-drive "workhorses" from the military, fire brigades, foresters, police and so on—is still the least likely to suffer from the vagaries of fashion changes and is the most solidly based—that about five times as many Land Rovers are produced in Britain as Range Rovers puts that into perspective.

The market segment which could have the biggest short-term impact on the four-wheel-drive production figures, however, is one for all-wheel-drive versions of saloon cars.

The recent success in European car rallies of the Audi Quattro, a four-wheel-drive version of the Audi 80 coupe, might have a major influence. If rival manufacturers become convinced that they have to produce all-wheel-drive cars if they are to have any chance of winning rallies, a whole new segment of the market—for sporty, four-wheel-drive saloons—could develop.

There is a good argument, in any case, for all-wheel-drive family saloons because they handle better and are relatively safer on wet and icy roads.

Subaru of Japan, which already is involved in four-wheel-drive dressed in conventional saloon-car clothing, has found its British customers are often middle-aged countryfolk willing to pay the premium for safety's sake.

When Daimler-Benz was in the process of launching its "G" wagon, it discovered that most all-wheel-drive vehicles in

Germany were registered in the Munich area. Two-thirds of the people who bought them already had another car, and yet they did considerable mileage in the cross-country vehicle—an average of 27,000 kilometres a year.

From this, D-B deduced that most of the four-wheel-drive vehicles were sold to people who wanted to be sure they could still travel when road conditions became difficult and who needed some conveyance to get them safely to the winter sports areas and back.

AMC's Mr Lunn sees the four-wheel-drive saloon car as a key element in the future American market for similar reasons. "As passenger cars are downsized, the need for four-wheel-drive to meet adverse driving situations will increase," he says.

But Lunn points out: "Fundamentally the success of four-wheel-drive in the future will depend largely on product creativity. Four-wheel-drive vehicles are more complex, heavier, less fuel-efficient and more expensive than their two-wheel-drive counterparts, so to be competitive they need outstanding functional capabilities."

It will also depend on the efforts of those companies which, like AMC and Land Rover, have four-wheel-drive operations as part of their mainstream business.

For example, in Austria Steyr-Daimler-Puch seems determined to play a greater role in the market. Not only is it producing the four-wheel-drive "G" wagon for Daimler-Benz, it has

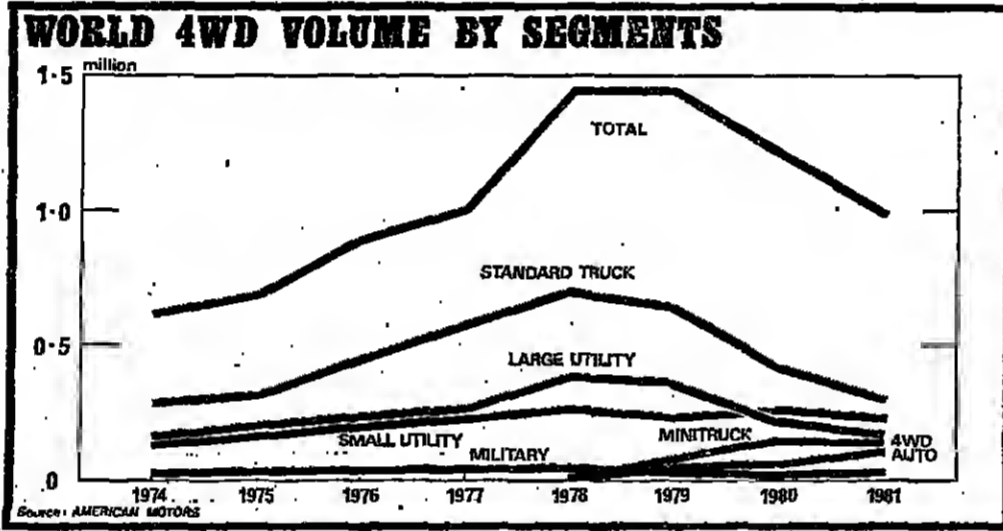
also been having discussions with Volkswagen about building four-wheel-drive Transporters (VW's light commercial) and minibuses for the German group and with Fiat to provide four-wheel-drive units for the Panda saloon.

The "flow" of trade in four-wheel-drive vehicles around the world threatens to become quite a flood. The Eastern Europeans, particularly Russia with the Lada Niva, see such vehicles as a useful export to earn hard currency. Renault seems determined to help the Jeep to be better established in Europe and elsewhere. To balance matters, BL might well put the Range Rover on the U.S. market through its existing Jaguar car dealers now that the Range Rover is in good supply and seems likely to remain that way.

Nissan of Japan plans to make about 20,000 four-wheel-drive Patrols in Spain—at Motor Iberica where it now has a controlling interest—and to export most of them to other parts of Europe.

All this activity, and the marketing efforts associated with it, should push non-U.S. four-wheel-drive production continually upward. AMC predicts that output outside the States will rise from just over 500,000 in 1980 to 700,000 by 1984 and possibly 900,000 by 1988.

For the U.S. AMC suggests that production can come back from just over 700,000 in 1980 to 1m by 1984 and nearly 1.1m by 1986. That would take world four-wheel-drive output up from 1.2m in 1980 to between 1.9m and 2m in 1986.



THE NEW DATSUN PATROL. YOU CAN TAKE IT ANYWHERE.



PATROL HARDTOP £7,987.

Now, Datsun's world-famous technology creates the go-anywhere Datsun Patrol—a new range of reliable 4-wheel drive multi-purpose vehicles that are equally at home on the motorway or in the roughest of country!

There are four models—a tough 5-seater short-wheelbase Hardtop and a luxurious 7-seater long wheel-base Estate, both available with a 2.8 petrol engine or a 3.3 diesel engine. And both come complete with all the built-in refinements you'd expect in a Datsun.

BUILT TO TAKE PUNISHMENT.

Whichever Patrol you choose, you'll find it can take you across the most punishing terrain. There's a simple-to-use transfer gearbox with high and low ratios and a limited slip locking differential to help you out of the toughest holes; free running hubs to improve economy on 2-wheel drive; and power-assisted brakes with discs up front to give precise and responsive braking wherever you are.

In other words, the Datsun Patrol is built to take whatever you can throw at it!

SALOON-CAR COMFORT-WHEREVER YOU GO.

Power-assisted steering makes the Patrol a pleasure to drive off the road or in the heaviest of town traffic. The high driving position and excellent all-round visibility gives you an outstanding panoramic view. The suspension gives a smooth, shock-free ride.

Both Patrols are quiet, comfortable and well-equipped with thickly upholstered seating, powerful heating and ventilation, tinted glass, push-button radio, adjustable front head restraints, two-speed wipers, electric washers and much more.

The Estate also has luxurious cloth upholstery and deep-pile fitted carpets. And of course there's loads of room for both people and cargo. The rear seats on both vehicles can be folded forward and the split rear tailgate makes even the bulkiest cargo easy to load.

UNBEATABLE VALUE.

The price that some manufacturers ask for multi-purpose vehicles of this class emphasises the value you get with Datsun. The new Datsun Patrols actually cost less than some people charge for an ordinary estate car.

The Hardtop is £7,987 for the petrol version and £8,756 for the

diesel. Prices for the petrol and diesel Estate are £8,994 and £9,747 respectively. Visit your Datsun dealer today. He'll show you how to take the rough with the smooth.



PATROL ESTATE £8,994.

THE NEW 4-WHEEL DRIVE DATSUN PATROL

Prices quoted are ex-works including car tax, VAT, seat belts, two door mirrors, two rear fog lamps, etc. Inland delivery, number plates and road fund licence extra.

FOUR-WHEEL DRIVE II

Manufacturers in the industrialised and Comecon countries are having to adopt a variety of different strategies. Our correspondents report on this page and page four.

Now that the leisure boom is over...

THE AMERICAN fascination with four-wheel-drive vehicles has little to do with their abilities to cope with mud, snow and sand. Just as designer jeans bring a cowboy ambience to fashion's Fifth Avenue, the demand for 4WD pick-ups and utility vehicles comes mainly from suburbanites unlikely to use the extra traction for much more than getting unstuck from a snow-drifted shopping centre car park.

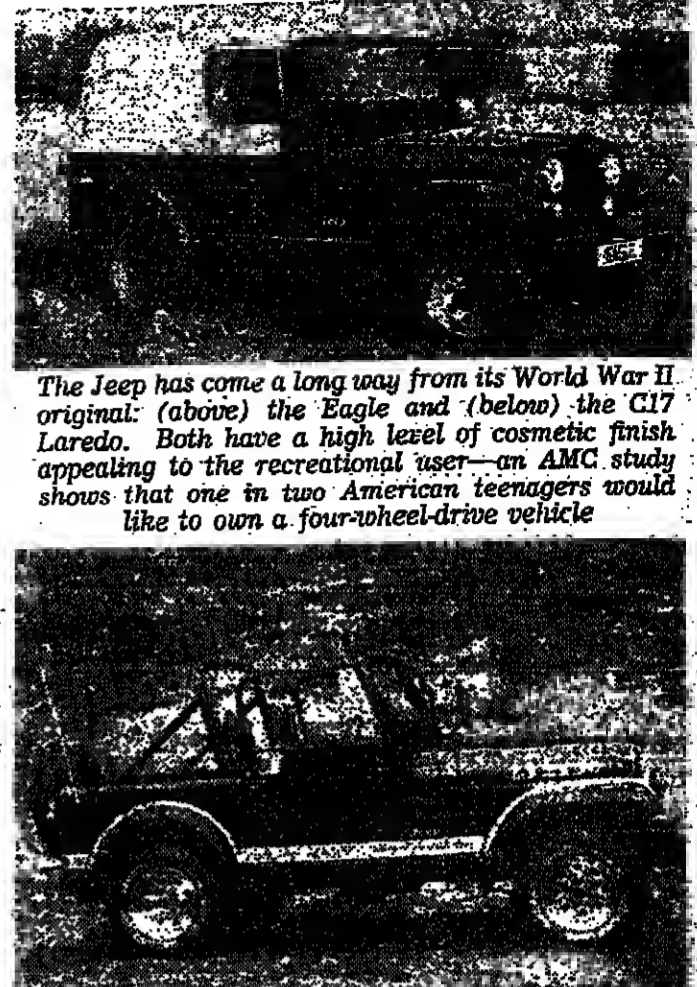
together by the Motor Vehicle Manufacturers Association totalled 314,834, a drop of 68 per cent from the record year of 1978. Despite the influx of smaller, more economical designs, most market analysts expect it will be four to five years before four-wheel-drive sales recover to 1978 levels.

faces manufacturers of light trucks today which built up their business in the 1970s through recreational sales only to see them plummet in the wake of the Iranian revolution. "The truck market for the 1980s will be divided into two distinct categories," says Joseph A. Campana, general manager of Chrysler's truck group. "The first will consist of people who buy trucks for work. The second will consist of people who buy trucks for personal and recreational use. This market will be dominated by smaller, lighter trucks."

likewise plans a new Blazer based on its own recently introduced subcompact truck. Ford and GM also has plans to add four-wheel-drive to their new small pick-ups, while AMC is developing a subcompact version of its CJ-series "Jeep" vehicles.

cars. Recreational four-wheel-drive vehicles and pick-up trucks using these passenger-car V-8 engines reap the benefits of high volume low-cost manufacturing which is difficult to achieve in this specialised market.

adding about \$2,000 to the price of the vehicle, but it gets 20 mpg when installed in its heaviest four-wheel-drive utility vehicle. Since few other manufacturers appear willing to make the investment to develop new diesel engines, joint ventures to supply them appear inevitable.



The Jeep has come a long way from its World War II original. (above) the Eagle and (below) the C17 Laredo. Both have a high level of cosmetic finish appealing to the recreational user—an AMC study shows that one in two American teenagers would like to own a four-wheel-drive vehicle

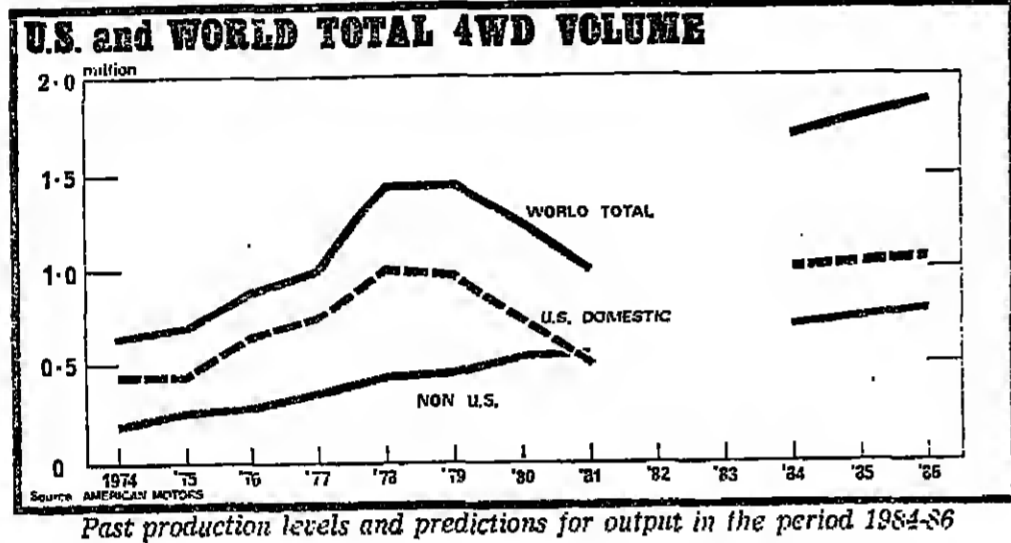
United States

DAN MCCOSH

study that confirms what we thought: there's a lot of pent-up demand out there. The study shows that one out of four Americans has a desire to own a four-wheel-drive vehicle, and about half the teenagers. It's still a youth market.

All this adds to the incentive to "downsize" four-wheel-drive vehicles, so that the new generation of small displacement passenger-car engines can be used. A specialised gearbox that allows both axles to be driven is supplied principally by Chrysler's new process transmission plant. Chrysler is already developing a new, lightweight unit.

The demise of passenger-car component capacity adds to the attraction of supplying engines from overseas. So far, GM anticipates importing a light-duty diesel from Isuzu Motors for its new subcompact trucks, and AMC will be using a small diesel built in France by Renault.



Past production levels and predictions for output in the period 1984-86

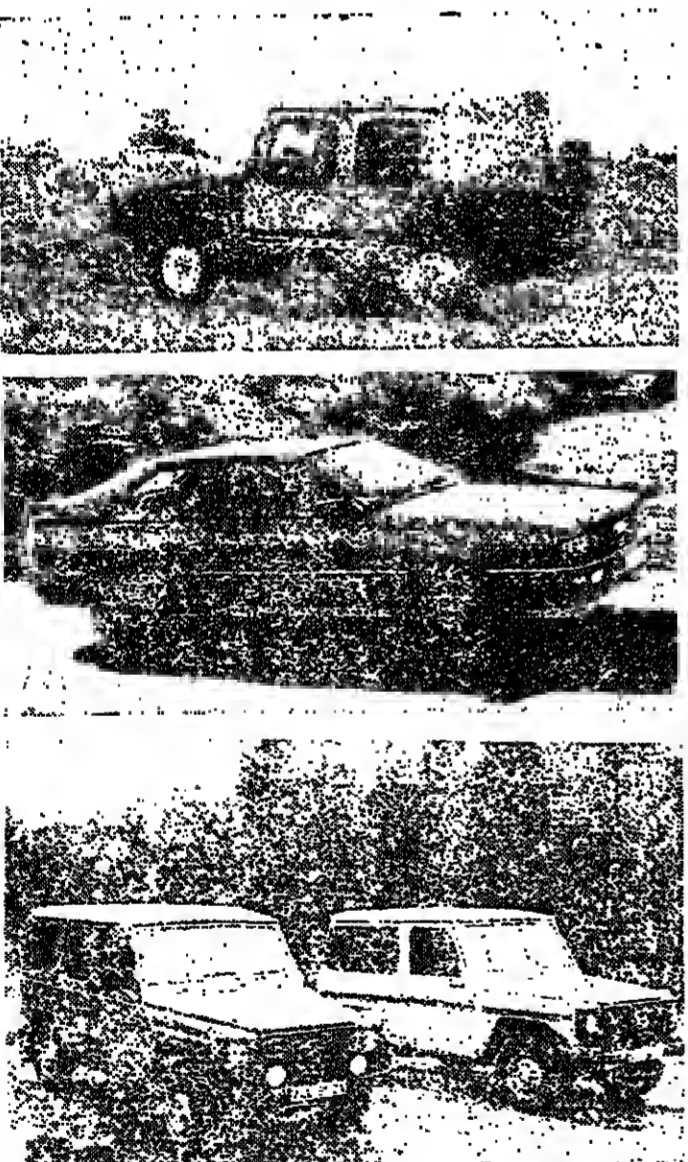
LIGHT FOUR-WHEEL-DRIVE VEHICLE PRODUCTION 1980

(Some major producers)

Country	Manufacturer	Model	Production	Country	Manufacturer	Model	Production
Austria	Daimler-Benz	Steyr-Daimler-Puch "G"	7,500	UK	Land Rover	Range Rover	51,280
COMECON	Lada (USSR)	Niva	25,000	U.S.	AMC	Jeep	62,841
India	ARO (Rmmla)	Mahindra	12,000			Chevrolet	7,514
Italy	Fiat	Campagnola	3,900			CJ	27,907
Japan	Toyota	Cruiser	116,200			Pick-ups	6,829
		Blizzard	1,800			Wagoner	18,421
		Bl Lux	67,000			AMC Eagle	12,545
		Nissan Patrol	26,000			Eagle Station Wagon	16,274
		Datsun pick-up	15,000			Eagle SX	4,013
		Isuzu	50,000			Blazer	21,109
		Subaru	25,000			GMC Jimmy	5,524
		Mitsubishi	9,200			Bronco	33,233
		Suzuki	50,400			Scout	130,059
Spain	MSA	Land Rover	17,900	West Germany	VW-Andi	Titus	3,400
	Viasa	Jeep	2,200			Quattro	390

1979 total

In competition for the expanding domestic market



Top: the VW Itis. Ordered by the West German army in 1976, there were no follow-on orders so production ceased last year. Middle: VW's sporty, turbo-charged four-wheel-drive, the Audi Quattro coupé, has a top speed of over 137 mph. Bottom: two- and four-door Gelandewagen produced by Daimler-Benz to compete with the Range Rover

THE WEST GERMAN market for four-wheel-drive vehicles is dominated by importers. Only Daimler-Benz and to a limited extent Audi have taken the pains to develop new products for this small but growing market, and Daimler-Benz itself draws its cross-country vehicles from production outside the group at Steyr-Daimler-Puch in Austria.

losing money on its venture into the four-wheel-drive market, holds the sales rights for most of the world's major markets due to the strength of its established far-flung sales network for both cars and commercial vehicles. Steyr-Daimler-Puch sells the G-range — it competes directly with BL's Range Rover — only in Austria and Switzerland, Yugoslavia and the East bloc, but Daimler-Benz has responsibility for the rest of the world.

German market. Of the remaining two-thirds about 60 per cent is being sold to other European countries and a third to overseas markets. Output from the Steyr-Daimler-Puch works at Graz is being held at about 8,000, capacity working for one shift production, and demand appears unlikely to justify the leap to two-shift working for at least two years.

Motor Vehicle Office. But this still accounts for only 0.7 per cent of total West German new registrations of cars and estate cars. Four-wheel-drive vehicles make up just 0.2 per cent of

general type approval from the West German vehicle registration authorities. The only other traditional West German manufacturer of all-terrain, four-wheel-drive vehicles, Volkswagen, has virtually withdrawn from the sector following the completion of a large military contract to supply the West German forces with 3,800 of its Itis models: half-tonne cross-country vehicles. Military contracts, often a potentially promising market for Daimler-Benz and Steyr-Daimler-Puch, and the West German concern won a block order last year to supply 450 vehicles to the Norwegian Army. The two companies have combined with Peugeot to supply four-wheel-drive cross-country vehicles to the French Defence Ministry.

the armed forces. VW was forced to close production late last year. It is still negotiating with a Canadian company, Bombardier which is seeking to buy both the VW Itis technology and the production facilities, with a view to producing similar vehicles in North America. The deal, announced in October last year as an agreement in principle, is still to be approved by the main boards of the two companies and appears to hinge on Bombardier gaining an initial large contract for the Canadian forces. Under the outline agreement negotiated last year the Canadian company would also acquire rights to market, sell and distribute the Itis range worldwide. Volkswagen's four-wheel-drive technology is chiefly represented in the sporty Quattro coupé introduced in 1980 by its Audi subsidiary. The car has already scored some success in important rallies, taking a high position in the last Monte Carlo rally, and it has added some extra glamour to the more utilitarian VW range. But sales are still modest and the Quattro notched up a volume of only 885 units in West Germany last year of total Audi sales in the Federal Republic of 151,144.

West Germany

KEVIN DONE

West Germany's total car population of 23.7m. At 43,286 units the stock of four-wheel-drive vehicles in the Federal Republic did increase last year, by just over 50 per cent from 32,018 in 1980.

With the exception of Daimler-Benz, the West German market for four-wheel-drive vehicles is held virtually exclusively by importers, dominated by the Japanese Toyota, Suzuki, Subaru and Nissan. At the bottom of the market the small Russian Lada Niva is emerging as a more serious competitor for the Japanese, while BL's Range Rover is present among the more expensive competition.

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A launching pad for exports

SPAIN'S ROLE as one of Europe's major automotive industries will soon be reflected also in the four-wheel-drive sector. A series of important changes are taking place that will mean both a considerable boost in the existing production of four-wheel-drive vehicles and the diversity of models.

The Japanese group would not be content to be a junior partner forever and that its presence in Motor Iberica was part of a broader strategy of penetrating Europe. Last month it was announced that Nissan would raise its stake to a majority 65 per cent, raising Motor Iberica's capital to Pta 7.1bn.

other is the Vanette. Motor Iberica expects to be rolling off the first Patrols either late this year or early next year. Eventual production levels have been stated at 20,000 units of which roughly two-thirds will be exported, existing foreign investment laws concerning the Automotive Industry obliging local manufacture of over 65 per cent of the parts although it has not yet been stated what initial percentage of Japanese components are to be imported.

virtually every automotive producer last year was obliged to resort to lay-offs, including Santana and this year the same phenomenon is likely. Against sales of over 17,000 in 1979 the figure dropped back to 14,650 last year. Santana has sought to sustain production lines with an aggressive export drive through greater foreign sales. Latterly almost one-third of total sales have been abroad, but this was insufficient to prevent lay-offs.

After a visit to Japan by Santana executives in January the Spanish press reported a production agreement. However, Santana insists that while both concerns are keen to establish a production agreement, nothing firm has been agreed. This said, the two companies are hoping that agreement can be reached within the year. Approximately 80 per cent of Santana's Land-Rover is made in Spain. The imported element is entirely components. Significantly, Spain also acts as an exporter of components. Santana itself exports gear boxes.

Fairey Winches Ltd

A member of the Fairey Holdings Group of Companies

Overdrives specially designed and produced to increase the versatility of the 4x4 vehicles. Also saves up to 15% on fuel cost.

Available for: Land-Rovers, Range Rovers, Toyota Landcruisers

■ Decreased fuel consumption	■ Doubles gear selection
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Other products available: Manual free-wheeling hubs, Drum Winches, Capstan Winches.

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Left, the Datsun Patrol Estate; right, the Patrol hardtop. Motor Iberica plans to produce 20,000 units

It takes to the water like a duck, to the mountains like a goat and to the road like a Mercedes-Benz.

It can go through water two feet deep without giving you wet feet.

It can climb a 1 in 1¼ slope fully loaded.

It can enter and leave 40° inclines.

It can change from two-wheel-drive to four-wheel-drive and finally into cross-country low-ratio gear while on the move.

It has differential locks on both front and rear axles to maintain momentum even if just one wheel has traction. The locks can be engaged while on the move.

It can cruise across the roughest terrain comfortably, because of coil springs, a hydraulic steering damper to prevent jolts, and a body that's rubber mounted onto a rigid, ladder-frame chassis.

It can cruise effortlessly at 70 mph, because of its 2.8 litre fuel-injected petrol engine or 3 litre, 5-cylinder diesel engine.

It is available as a long wheelbase four-door model, and a short wheelbase two-door model.

Its anti-roll bar minimizes uncomfortable swaying in corners.

It has automatic transmission as standard with the petrol engine.

It has a one-piece rear door that provides easy access to a load area of remarkable capacity.

It has a long list of standard equipment, including power-assisted steering, a towing hook, headlight washers, a rear-window washer/wiper and fog lights, front and rear.

It is, in short, an off-the-road vehicle with surprising capabilities and an on-the-road vehicle with the integrity and reliability you'd expect from Mercedes-Benz.

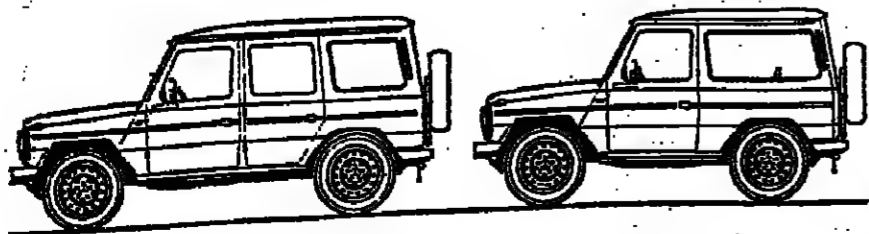
What is it?

The new Mercedes-Benz G-series.

It can be seen to be believed at your nearest Mercedes-Benz dealer today.



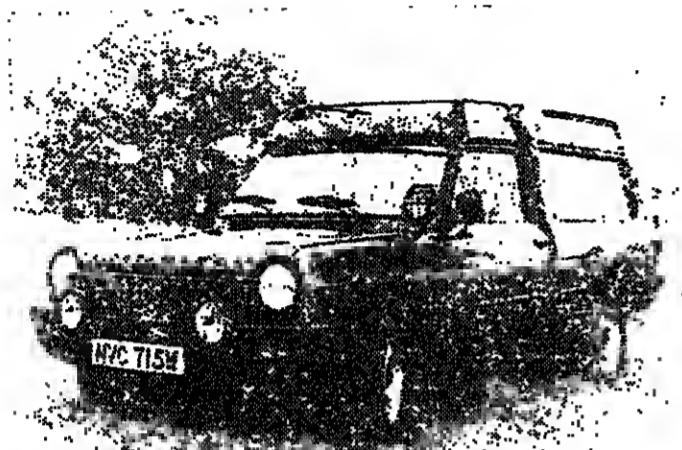
Mercedes-Benz



FOUR-WHEEL DRIVE VI.

Stuart Marshall writes, first choose your vehicle—then learn how to drive it the expert's way

Choosing to take the rough with the smooth



FOUR-WHEEL drives cannot be all things to all users. Indeed, they may be divided into three main types.

First, the rough, tough end of the market. The vehicles competing in it were all inspired by the World War II Jeep. They go almost anywhere and are essentially small, cross-country trucks with seats. They come into their own where roads end and trackless terrain begins.

Long on mobility, they are short on creature comforts. Only a masochist would regularly use one on smooth tarmac in preference to a car. Examples are the short-wheelbase Land Rover, Daihatsu Fourtrak, Suzuki and the smallest kind of present-day Jeep.

Next, the more civilised relatives of the country boys just described. They are less likely to be strewn with straw or reeking of manure. Their seats are comfortable, the floor may be carpeted and they are suitable, if less than ideal, for long distance highway driving. Even so, they can take to the mud and mountains when needed.

Everything they uncouth forbears can do, they can do better—or at least, they can do it in greater comfort. The Range Rover, Toyota Land-Cruiser, Datsun Patrol and Daimler-Benz Gelandewagen estate cars come to mind in this class.

The Lada Niva does, too, though not the estimable Subaru 4WD estate. Mostly, Subaru call their vehicle an all-road car, not an all-terrain machine. No road I have tried will defeat it, even though it may be steep and icy, or rutted and covered with inches of slime.

Finally, the vehicles that have four-wheel drive, not for climbing in and out of craters but for greater traction and handling safety on the road. The Audi Quattro, a 135 mph supercar that gives its best to drivers of modest skill, is the sole representative of this type at the moment. It won't be for long. All the signs of an explosion of interest in smaller and cheaper road-going four-wheel-drive cars can be detected.

I have driven every kind of 4x4 I could lay hands on since the 1950s, though I have never tried an original wartime Jeep. The first vehicle to show me that four driven wheels are incomparably better than two on rough and slippery ground was an early Mk. I Land Rover. I read the instructions found out what the knobs were for and considered I then knew how to drive it across country.

Years later, when shown by one of Land Rover's experts,

I realised I had been getting it all wrong. Even so, my old Land Rover rarely got stuck and nothing broke that I couldn't put right myself. I finally sold it at a profit to a Warren Street dealer and have had a warm regard for Land Rovers ever since.

Many of these veterans, with their non-rusting aluminium bodies and massive chassis, are still at work. The six-cylinder long wheelbase, recently superseded by the V8 Land Rover, was good on and off the road. The V8 is better. I once drove a forward-control Land Rover, a much larger version used mainly by the army, round Goodwood race circuit. I was not encouraged to hang the tail out on corners for its handling might kindly be called unruly.

The Range Rover is a different proposition. With its combination of fairly soft suspension and permanently engaged four-wheel drive, plus a centre differential to avoid transmission wind-up on hard roads, it can be used like an overgrown sports car.

At its press launch in 1970, we were urged to drive them harder and harder on an old airfield. "You won't turn them over," said Rover's then managing director, and no one did, though one went on two wheels for a bit when it slid on grass and bit a runway edge side on. The Range Rover, then less than £2,000 in the showroom, is still the best all-round light 4x4 in the world, though formidably expensive. It has become positively luxurious over the years, but despite its velour throne and fitted carpets, it is as good as ever when up to its hubs in giney mud.

There is a lot of development left in the Range Rover, an automatic, converted to Ferguson system four-wheel drive and fitted with a Chrysler Torque-Flite transmission by Schuler Presses of Sunninghill, was completely silent mechanically and felt like the offspring of a Ferrari. (The suspension had been modified and the tyres were Michelin XRV.) I thought it was as the Range Rover could be in a few years' time, though there won't be a long wait for a production line automatic.

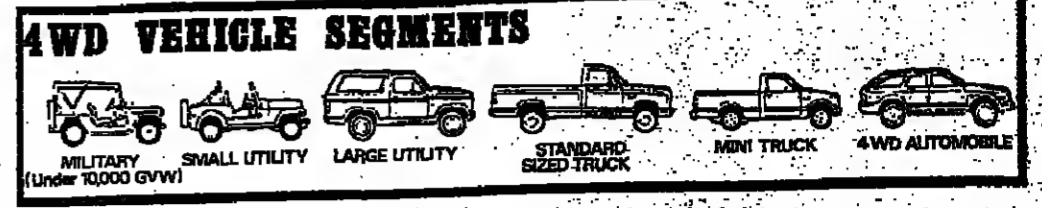
A diesel Range-Rover is also coming, but is still a long way off.

Diesels suit on-off road four-by-fours. The small Daihatsu can be had with a 1.6 litre petrol engine or a 2.6 litre diesel. The diesel is better in every way—noise excepted—and I obtained 35 mpg on a 450-mile day trip. Toyota's latest Land-Cruiser,

with a 4-litre, 6-cylinder diesel, is as nice a vehicle as the former 4.2 litre petrol-engined one was nasty. Even if cruised at motorway speeds, this massively roomy though long-legged estate car will return about 25 mpg. And the Daimler-Benz G-car (the Gelandewagen) sustains 80 mph all day long on its 3-litre, 5-cylinder diesel at around 22 mpg. The 2.8 litre petrol automatic is faster, but much thirstier.

Off-road, the G-car has the advantage of lockable differentials. With a conventional 4x4, if you have the nearside wheels on concrete and the offside ones in a deep and slithery rut, you may stick. The differential gears allow the wheels on the least grippy surface to spin. But lock the differentials—as you can in the G-car and could in the tiny Austrian Haflinger—and you will move even if only one wheel can find something to bite on.

When Land Rovers were on two-year delivery, Eastern European four-wheel drives enjoyed some popularity here. I tried the Arco, from Romania, and thought it disagreeably coarse though it



There are three main types of four-by-four vehicles: the small cross-country trucks with seats; their carpeted, comfortable relatives; and the saloon car that gives safer handling on the road

went over a tank testing ground well enough. The Tndor, a sort of four-wheel drive bread van, was rougher still, though a capable performer on evil terrain.

The Niva, an ingenious cobbling together of Lada car parts and a permanently four-wheel driven chassis, could do with a few inches more interior space, but there is nothing wrong with its cross-country performance.

Smallest and cheapest 4x4 at the moment is the Suzuki. It looks like a toy (especially alongside one of the more bloated Jeep station wagons), but amused me by doing most of the things a Land Rover

will do except pull a trailer loaded with heavy hunters.

The Jeep has moved far away from its original concept. Even in the U.S. its sales have been decimated by rising fuel prices. It will pull anything but its cross-country capability is not in the Land Rover/Range Rover class, the ride is poor, the steering vague and fuel consumption acceptable only if you have an oil well of your very own.

The GM Jimmy (a badge engineered Chevrolet Blazer) I tried in the States last year was not quite as bulky as the big Jeep wagons but, I thought, over-large for the British countryside. With a 6-litre V8 it had plenty of

muscle.

Datsun's recently introduced Patrol is exceptional value. The petrol-engined 2.8-litre estate I have just had was fitted with three rows of seats, (ideal for the school run), held a quiet 70 mph on the motorway and returned 20 mpg. Perhaps closer to concept to a U.S. 4x4 than a Range Rover or Gelandewagen, it was not wide enough to be cumbersome, and the ride comfort was not at all bad. An ideal vehicle, really, for people who now spend as much on a large estate car which embarrasses them by getting stuck as they leave the gymkhana with the children's ponies in tow.

PRICE GUIDE

The following four-wheel-drive vehicles are generally available in the UK. In addition, some U.S.-made light 4 x 4s may be obtained to special order. The prices are for the cheapest version of a particular model.

Audi Quattro	£15,037	Mercedes Benz Gelandewagen 280GE petrol short wheelbase	£13,910
Daihatsu short wheelbase: petrol	£5,721	280GE petrol long wheelbase	£14,850
diesel	£6,383	300GD diesel short wheelbase	£13,650
Datsun Patrol short wheelbase, hard top:		300GD diesel long wheelbase	£14,300
petrol	£7,987	Portaro Pampas diesel	£8,439
diesel	£8,756	Range Rover two door	£12,670
long wheelbase estate:		four door	£14,260
petrol	£8,994	Subaru pickup estate car	£4,485
diesel	£9,747		£5,980
Jeep: Laredo	£8,499	Suzuki	£3,799
Cherokee station wagon	£9,454	Toyota Land Cruiser (diesel) station wagon	£11,193
Lada Niva	£4,570	Hi-Lux pickup (petrol)	£5,560
Land Rover: short wheelbase, soft top	£8,465		
long wheelbase V8 pickup	£8,240		

How to handle a four-by-four — ignorance can be costly

GETTING THE most out of a 4 x 4 across rough country involves much more than squeezing a Wellington boot on the accelerator and hoping for the best. Given the right techniques, a Land Rover or Range Rover, Daihatsu or Daimler-Benz Gelandewagen — to name but four — achieve miracles of mobility. Wrongly treated they will get stuck, break down or both.

The correct method of driving one has as much — perhaps more — to do with riding a horse as with operating a machine. You choose the correct line, approach an obstacle with caution, urge your mount over and then collect it again in case an even worse hazard follows. In essence, all popular four-wheel drives are much the same. They have two gearboxes. One, used like that in a normal car, is for multiplying engine torque for acceleration and hill climbing. The other allows the main gearbox to be used in two ranges — a high one for the road, a low one for severe off-road conditions.

Some four-wheel drives (the Land Rover, Toyota Land-Cruiser and Datsun Patrol for example) are normally used on the road with rear-wheel drive only. Others — the Range Rover and Lada Niva are typical — are in permanent four-wheel drive.

Two- or four-wheel drive machines may be used with rear-wheel drive only in high

range but either high or low may be employed in four-wheel drive. As a refinement, free-wheeling front hubs save wear and tear, fuel and noise by stopping the front axle transmission from revolving at all when a vehicle like the Land Rover is in rear drive only. Many of the imported 4 x 4 have these hubs as standard; for a Land Rover, The Fairy company supplies them as approved accessories. Although it all sounds rather complicated, driving over rough terrain is perfectly straightforward providing the concept of a four-wheel-drive vehicle is understood. Many owners have little idea what their car achieve because they have never learned to drive them properly.

Take the Land Rover, for example. There are about 200,000 of them in use in Britain alone. Cynics on Land Rover's staff reckon about one owner in 10 really knows how to drive one.

Most are aware that, on the road, the red knobbed transfer gearbox lever stays forward so that only the back wheels are driven. If four-wheel drive, high range, is needed say on snow, a yellow plunger is depressed. And for low-range four-wheel drive, the red knobbed lever is pulled back. Then the Land Rover will climb slopes like the roof of a house, plough through mud troughs and tackle terrain on which fox-hunter might prefer not to

risk a valuable horse. Even these basic truths are not always understood. Land Rover tell a horror story of a veteran employee of a public utility company who was issued with a new vehicle. He assured the salesman that he knew all about driving it and pointed to the red knobbed high/low gearbox lever. "It always pull that back in October, and leave it there until April... It gives you better grip on icy roads," he said.

And of course it would. But it would also limit top speed to 35 mph, raise the noise level and fuel consumption to unacceptable heights, strain the transmission and wear out the tyres. That is why machines with permanent four-wheel drive have a third differential. It gets rid of the stresses caused by the extra revolutions the front wheels make when compared with the back wheels when a vehicle is turning a corner.

On really rough terrain the off-road driver has to forget all about normal motoring techniques. In low range, second gear is often better for climbing steep, slippery slopes than first, which would cause excessive wheel-spin. But for descending acute gradients, you choose first and under no circumstances touch the brake pedal. The engine's compression, spread equally to all four wheels through the transmission, safely holds

your speed down.

It is the same when climbing. Should you stall the engine on an exceptionally steep slope — and even Land Rover's expert demonstrators do now and again — you bang in reverse gear instantly. The Land Rover (or any similar 4x4) will hang against compression. You sort out the best way to back down the hill and, with reverse still engaged, flip the starting key without declutching. The engine fires up and, at idling speed, literally winds you down the slope slowly and under full control.

The expert 4x4 driver coaxes his machine through hazards in the right gear, always with minimum engine revs and never with his thumbs hooked over the steering wheel rim — they can be dislocated, even broken, if a front wheel drops into a deep rut and the steering wheel suddenly jerks round.

He never plunges into water too quickly: "It may be deeper than you think and even if its fordable, the bow wave made by too high a speed could push the radiator back into the fan." And the expert is never afraid of getting out of the vehicle and having a look at what lies over a hill before he drives up it. More than one Land Rover driver has found to his cost that the slope he was storming up led to a vertical drop into a quarry.

It can take you anywhere.



The Daihatsu Fourtrak comes with a choice of rugged 1.6 litre petrol or 2.5 litre diesel powerplants.

With a high/low ratio gearbox and four wheel drive, you'll have enough guts and traction to get through the toughest terrain.

And the Fourtrak has got what it takes to do it safely. It's got a sturdy ladder-type steel chassis that clears the ground by a minimum of 9" even under full load.

It's got a built-in roll bar for extra strength.

It's got well proven semi-elliptic leaf spring suspension.

And to beat all, the Fourtrak is so well built it's also got a 'Protectol' anti-rust warranty lasting for eight gruelling years.

That's longer than any other manufacturer's rust warranty.

And with smart hard top or soft top options, the Daihatsu Fourtrak looks just as good on the road as off.

It has a level of interior luxury to rival a family saloon.

The Short Wheelbase has full fabric reclining seats with headrests, and door-to-door carpet. Or you can have the more practical vinyl seats and floor covering if you want.

Also the two wheel drive facility, free-wheeling front hubs and efficient sound insulation means you get quiet, economical motoring at normal driving speeds.

So the Daihatsu Fourtrak is more than just a reliable workhorse.

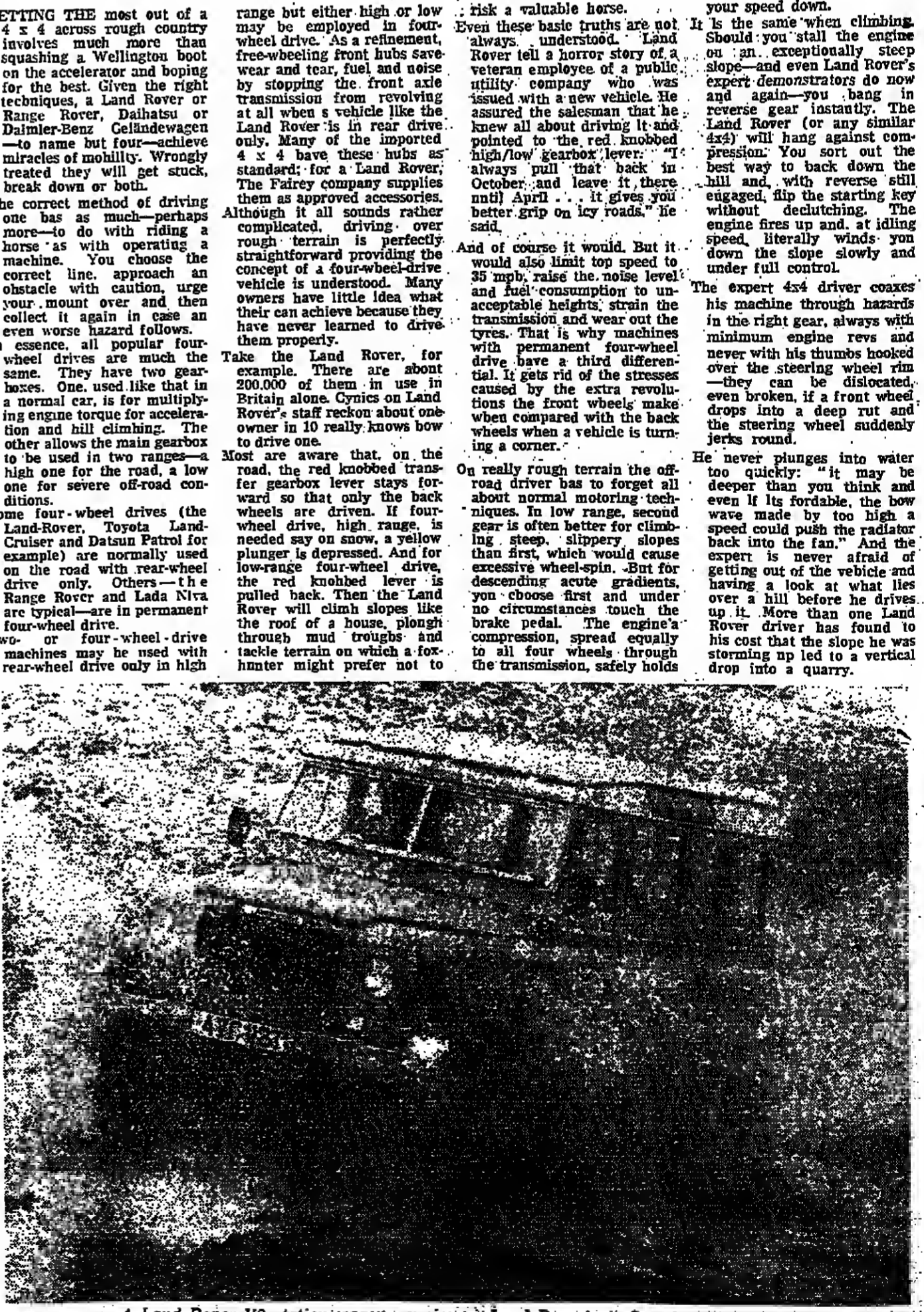
It's quite a showhorse as well.

You can take it anywhere.



DAIHATSU Fourtrak

Subject to the terms of the Protectol Warranty:
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A Land Rover V8 station wagon — cynics on Land Rover's staff reckon about one owner in 10 really knows how to drive one

Companies and Markets

WORLD STOCK MARKETS

Dow regains 4.4 more by 1pm

NEW YORK Stock table with columns for Stock, Mar. 9, Mar. 8, Mar. 7, Mar. 6, Mar. 5, Mar. 4, Mar. 3, Mar. 2, Mar. 1, Mar. 1953.

Stock table with columns for Stock, Mar. 9, Mar. 8, Mar. 7, Mar. 6, Mar. 5, Mar. 4, Mar. 3, Mar. 2, Mar. 1, Mar. 1953.

IN A continuation of Tuesday's late sharp rally, Wall Street stocks were pushed to move higher in reduced but still substantial trading yesterday morning.

The Dow Jones Industrial Average, which recovered 3.70 points on Tuesday after setting a 21-month closing low on Monday, had yesterday regained 4.38 more to 805.22 by 1 p.m. The NYSE All Common Index recouped a further 35 cents to 862.28, while the largest copper and steel sub-indices also advanced.

Tokyo

Shares rallied sharply in a reasonable business, revitalized by the overnight Wall Street rebound and stepped-up Government efforts to spur the Japanese economy.

Australia

Local influences, including Prime Minister Malcolm Fraser's gloomy economic forecast and interest rates concern, sent markets broadly lower yesterday.

Hong Kong

Encouraged by the good annual results and proposed scrip issue announced by Anglo Siam Bank, the market was buoyant, with prices tending to recover some ground yesterday.

Johannesburg

Gold shares staged a good rally in active dealings in response to the overnight Bullion Board's return in New York.

Germany

Bourse prices were inclined to improve, although buying was rather patchy, with the overnight Wall Street good late rally and a strengthening Domestic Bond market.

Australia

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Hong Kong

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Johannesburg

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Canada

Markets tended to improve in a fair turnover early yesterday.

Closing Prices for North America were not available for this edition.

CANADA Stock table with columns for Stock, Mar. 9, Mar. 8, Mar. 7, Mar. 6, Mar. 5, Mar. 4, Mar. 3, Mar. 2, Mar. 1, Mar. 1953.

FRANCE Stock table with columns for Stock, Mar. 10, Price, +/-.

GERMANY Stock table with columns for Stock, Mar. 10, Price, +/-.

NETHERLANDS Stock table with columns for Stock, Mar. 10, Price, +/-.

SWITZERLAND Stock table with columns for Stock, Mar. 10, Price, +/-.

SPAIN Stock table with columns for Stock, Mar. 10, Price, +/-.

AUSTRALIA Stock table with columns for Stock, Mar. 10, Price, +/-.

HONG KONG Stock table with columns for Stock, Mar. 10, Price, +/-.

SINGAPORE Stock table with columns for Stock, Mar. 10, Price, +/-.

INDONESIA Stock table with columns for Stock, Mar. 10, Price, +/-.

FINLAND Stock table with columns for Stock, Mar. 10, Price, +/-.

Indices

Indices table with columns for Index, Mar. 9, Mar. 8, Mar. 7, Mar. 6, Mar. 5, Mar. 4, Mar. 3, Mar. 2, Mar. 1, Mar. 1953.

STANDARD AND POORS Stock table with columns for Stock, Mar. 9, Mar. 8, Mar. 7, Mar. 6, Mar. 5, Mar. 4, Mar. 3, Mar. 2, Mar. 1, Mar. 1953.

TORONTO Composite table with columns for Stock, Mar. 9, Mar. 8, Mar. 7, Mar. 6, Mar. 5, Mar. 4, Mar. 3, Mar. 2, Mar. 1, Mar. 1953.

NEW YORK ACTIVE STOCKS table with columns for Stock, Mar. 9, Mar. 8, Mar. 7, Mar. 6, Mar. 5, Mar. 4, Mar. 3, Mar. 2, Mar. 1, Mar. 1953.

STANDARD AND POORS Stock table with columns for Stock, Mar. 9, Mar. 8, Mar. 7, Mar. 6, Mar. 5, Mar. 4, Mar. 3, Mar. 2, Mar. 1, Mar. 1953.

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NEW YORK ACTIVE STOCKS table with columns for Stock, Mar. 9, Mar. 8, Mar. 7, Mar. 6, Mar. 5, Mar. 4, Mar. 3, Mar. 2, Mar. 1, Mar. 1953.

LONDON STOCK EXCHANGE

Spectacular Gilt gains in hectic trading contrast with lethargic equity market response to Budget

Account Dealing Dates
Option
*First Declared Last Account
Dealings Dealing Day
Mar 1 Mar 11 Mar 12 Mar 22
Mar 15 Mar 25 Mar 26 Apr 5
Mar 29 Apr 15 Apr 16 Apr 26

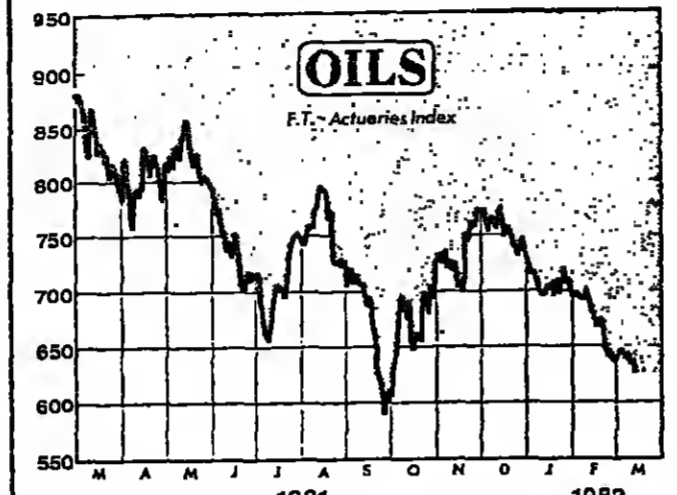
sumed the tone was a shade
softer. Reflecting their
diminished attractions to high-tax
payers, low-coupon Gilts wilted
only, some by 2 1/2 points, before
steadying to end around 1 1/2 points
down on balance.

Discount Houses hardened in
places in sympathy with Gilts.
Alexanders put on 7 to 25p and
Cater Allen improved 10 to 35p.

sharp contrast, D-IY issues drew
strength from the proposals to
allocate £90m more to home im-
provement grants. Harris Queens-
way featured with a rise of 8 at
138p, while Home Charm, 152p,

49p before closing 8 up at 44p;
the shares have risen from 15p
since Mr A. B. Millar and
associates acquired a 25.9 per
cent stake in the company on
March 1. Huntley and Palmer,

prices. Shell, nervously await-
ing today's preliminary results,
drifted off to close 8 cheaper at
338p. British Petroleum
closed a couple of pence lower at
274p. Lassus opened higher at
290p but reacted to finish 2
off on the day at 278p. Berkeley
weakened 10 further to 258p.



FT Actuarial Index
1981 1982

undecided as to what direction
to take. GEC lost 11 to 814p,
while Philips Lambs gave up 10
to 455p, the latter on further
consideration of the results.

De Beers down again
The De Beers/Anglo American
Corporation group remained
under a cloud as renewed and
heavy selling followed Press
comment on the sharp contrac-
tion in earnings and the dividend
cut by De Beers.

FINANCIAL TIMES STOCK INDICES
Table with columns for dates (Mar 10, Mar 9, Mar 8, Mar 5, Mar 4, Mar 3, year ago) and rows for Government Secs, Fixed Interest, Industrial Ord., Gold Mines, Earnings, P/E Ratio, etc.

HIGHS AND LOWS S.E. ACTIVITY
Table with columns for 1981/2 High/Low, Since Completion High/Low, and Mar 8/9 values for Govt. Secs, Fixed Int., Ind. Ord., Gold Mines.

FINANCIAL TIMES STOCK INDICES
Table with columns for dates (Mar 10, Mar 9, Mar 8, Mar 5, Mar 4, Mar 3, year ago) and rows for Government Secs, Fixed Interest, Industrial Ord., Gold Mines, Earnings, P/E Ratio, etc.

NEW HIGHS AND LOWS FOR 1981/2

Table listing new highs and lows for various sectors including British Funds, Industrial Loans, Building Societies, and others.

FT-ACTUARIES SHARE INDICES

Table showing FT-Actuaries Share Indices for Equity Groups & Sub-sections, Fixed Interest, and Average Gross Redemption Yields.

RECENT ISSUES

Table of Recent Issues (Equities) listing issue price, latest price, and stock details.

FIXED INTEREST STOCKS

Table of Fixed Interest Stocks listing issue price, latest price, and stock details.

"RIGHTS" OFFERS

Table of Rights Offers listing issue price, latest price, and stock details.

ACTIVE STOCKS

Table of Active Stocks listing stock names, closing prices, and day's changes.

TUESDAY'S ACTIVE STOCKS

Table of Tuesday's Active Stocks listing stock names, closing prices, and day's changes.

OPTIONS

Text describing options for various stocks including Anglo American, De Beers, and others.

FT SURVEYS ARE READ FT SURVEYS ARE KEPT FT SURVEYS SHOW RESULTS BUY THE FT AND SELL

A programme of forthcoming surveys for 1982 is available on a monthly basis to existing and potential advertisers. If you would like to receive a regular copy, please return the coupon.

Form for requesting FT surveys, including fields for Name, Title, Company, Address, and Industry.

Table titled 'RISES AND FALLS YESTERDAY' showing price changes for various market indices and sectors.

Table titled 'FIXED INTEREST' showing average gross redemption yields for various fixed interest instruments.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Tr. Mgrs., Abbot Unit Tr. Mgrs., and others, including their names, managers, and performance data.

FT UNIT TRUST INFORMATION SERVICE

Main table listing FT Unit Trust Information Service details, including names of trusts, managers, and contact information.

Table listing various insurance and financial services, including Royal Exchange, Standard Life, and others, with their respective details and contact information.

NOTES: A section at the bottom of the page providing additional information and disclaimers regarding the data presented in the tables.

FOOD, GROCERIES—Cont.

Table listing various food and grocery items such as flour, sugar, and oils, along with their prices and market movements.

HOTELS AND CATERERS

Table listing hotel and catering companies, including names like Holiday Inns and Premier Inns, and their stock prices.

INDUSTRIALS (Miscel.)

Table listing various industrial companies and their stock prices, including firms like ICI and British Petroleum.

ENGINEERING—Continued

Table listing engineering companies and their stock prices, including firms like BHP and British Steel.

CHEMICALS, PLASTICS—Cont.

Table listing chemical and plastic companies and their stock prices, including firms like ICI and Shell.

BANKS & H.P.—Cont.

Table listing banks and hire purchase companies and their stock prices, including firms like NatWest and HSBC.

LOANS—Continued

Table listing various loan and financial instruments, including government bonds and corporate loans.

Advertisement for AFA-MINERVA, a company specializing in fire protection and security services.

Table titled 'BRITISH FUNDS' listing various investment funds and their performance metrics.

Table titled 'FOREIGN BONDS & RAILS' listing international bonds and railway stocks.

Table titled 'AMERICANS' listing American stocks and companies.

BEERS, WINES AND SPIRITS

Table listing beer, wine, and spirit companies and their stock prices.

BUILDING INDUSTRY, TIMBER AND ROADS

Table listing companies in the building, timber, and road sectors.

ELECTRICALS

Table listing electrical companies and their stock prices.

FOOD, GROCERIES, ETC.

Table listing food and grocery companies and their stock prices.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

Table listing international bank and overseas government sterling issues.

CORPORATION LOANS

Table listing various corporate loans and their terms.

CANADIANS

Table listing Canadian stocks and companies.

BANKS AND HIRE PURCHASE

Table listing banks and hire purchase companies.

COMMONWEALTH AND AFRICAN LOANS

Table listing commonwealth and African loans.

LOANS Public Bank and Ind.

Table listing public bank and industrial loans.

REDAUNDANCY

INTERNATIONAL INVESTMENT

BUYING A HOUSE

EXPATRIATES

PLANNING FOR A LIFETIME

INDEX-LINKED INVESTMENTS

A FINANCIAL TIMES SURVEY

PERSONAL FINANCIAL PLANNING

17 APRIL 1982

The Financial Times is planning to publish a survey on Personal Financial Planning. The provisional date and editorial synopsis are set out below.

INTRODUCTION Persistently high real returns have forced investors to change their habits. Growing attention paid to short-term instruments and specialised funds, such as currency and commodity syndicates. Investor protection—a look at the Department of Trade's new rules for licensed dealers and professor Gower's report.

Editorial coverage will also include:

- REDAUNDANCY
INTERNATIONAL INVESTMENT
BUYING A HOUSE
EXPATRIATES
PLANNING FOR A LIFETIME
INDEX-LINKED INVESTMENTS

Copy date: 2nd April 1982

For further information and advertising rates please contact:

Guy Mainwaring-Burton

Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY Tel: 01-248 8000 Ext. 3606 Telex: 853033 FINTIM G

CHEMICALS, PLASTICS

Table listing chemical and plastic companies and their stock prices.

ENGINEERING MACHINE TOOLS

Table listing engineering machine tool companies and their stock prices.

FOOD, GROCERIES, ETC.

Table listing food and grocery companies and their stock prices.

The size, contents and publication dates of surveys in the Financial Times are subject to change at the discretion of the Editor.

INDUSTRIALS—Continued

Table of industrial stocks including Johnson & Johnson, DuPont, and various pharmaceutical and chemical companies.

LEISURE—Continued

Table of leisure and entertainment stocks including British Airways, British Telecom, and various media companies.

PROPERTY—Continued

Table of property and real estate stocks including British Land, Granada, and various housing and development companies.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including various equity, income, and specialized trusts.

OIL AND GAS—Continued

Table of oil and gas stocks including BP, Shell, and various independent producers.

MINES—Continued

Table of mining stocks including Anglo-American, De Beers, and various metal and coal producers.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including various automotive and aerospace companies.

Commercial Vehicles

Table of commercial vehicle stocks including various truck and bus manufacturers.

Components

Table of component stocks including various parts and accessories manufacturers.

Garages and Distributors

Table of garage and distributor stocks including various service and retail companies.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing stocks including various media and information companies.

PAPER, PRINTING

Table of paper and printing stocks including various manufacturing and distribution companies.

PROPERTY

Table of property stocks including various real estate and development companies.

SHIPPING

Table of shipping stocks including various maritime and logistics companies.

SHOES AND LEATHER

Table of shoes and leather stocks including various footwear and leather goods manufacturers.

SOUTH AFRICANS

Table of South African stocks including various companies listed on the Johannesburg Stock Exchange.

TEXTILES

Table of textile stocks including various clothing and fabric manufacturers.

TOBACCO

Table of tobacco stocks including various tobacco and cigarette manufacturers.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including various investment and service companies.

PROPERTY

Table of property stocks including various real estate and development companies.

FINANCE, LAND, ETC.

Table of finance, land, and other stocks including various financial and service companies.

FINANCE, LAND, ETC.

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OVERSEAS TRADERS

Table of overseas trader stocks including various international trade and service companies.

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MINES—Continued

Table of mining stocks including various metal and coal producers.

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SANYO INTERNATIONAL LTD. advertisement with contact information for London and other locations.

MINES—Continued advertisement for various mining stocks.

OVERSEAS TRADERS advertisement for international trade and service companies.

RUBBERS AND SISALS advertisement for various rubber and sisal products.

TEAS advertisement for various tea products.

MINES advertisement for various mining stocks.

REGIONAL MARKETS advertisement for regional stock markets.

OPTIONS advertisement for 3-month call rates.

DIAMOND AND PLATINUM advertisement for diamond and platinum products.

RIGGS U.S. Dollar C.D's a better buy!

Getatable NEWPORT For details of industrial development sites...

AUEW might aid independent candidate

BY PHILIP BASSETT, LABOUR CORRESPONDENT

LEADERS of the Amalgamated Union of Engineering Workers are considering the unprecedented step of providing financial support for a Parliamentary candidate outside the ranks of the Labour Party.

Mr Ford has assured AUEW that he would not join the Social Democratic Party if he was returned as an independent.

The prospect of the AUEW putting its funds behind a non-Labour Party candidate — and the possibility of other unions such as the electricians following suit — could encourage action against the Militant tendency in the party.

De Lorean suit filed by Bank of America

By John Griffiths

BANK OF AMERICA, a substantial supplier of credit to De Lorean Motor Company through its financing of car stocks, filed a suit in U.S. District Court yesterday alleging that De Lorean had defaulted on £10m in loans.

The suit alleges De Lorean refused to acknowledge it was in default and that the cars now belonged to the bank.

Bank of America had been maintaining a facility of up to £15m under which the company financed its stocks.

The bank acted less than 24 hours before the president of Budget Rent-a-car Corporation, Mr Maurice Belzberg, was due to meet executives of De Lorean Motor Company to conclude an agreement for Budget to purchase 5,000 De Lorean cars.

Mr Belzberg said last night the deal would involve buying 1,000 cars immediately and the rest over 12 months.

Bank of America would not comment on the implications of the Budget negotiations last night. It said, however, that it would have been "tantamount to negligence" if it had not undertaken action to establish its title to the cars.

The bank's suit also alleges that 15 De Lorean cars were taken unlawfully to the private New Jersey estate of Mr John De Lorean, chairman of the U.S. sales company.

Sir Kenneth Cork, one of the joint receivers of the Bellasi company was unavailable for comment last night on this latest apparent setback to the efforts to keep the company in operation.

At the end of last month Sir Kenneth said he thought there was a 90 per cent chance of finding £45m in fresh investment to keep De Lorean afloat.

The prospects for De Lorean's survival have been dimmed by two further events in the past week: a petition for the winding up of the Belfast operation by a minor creditor which is expected to be heard later this month, and the appointment of a receiver to CP Trim, the Belfast company which is the sole supplier of De Lorean seating and interior trim.

Mitterrand orders tight rein on spending to cut deficit

BY DAVID WHITE IN PARIS

FRENCH Government departments will be forced to revise some of their programmes after an order from President Francois Mitterrand yesterday demanding strict discipline in public spending.

The firm stance taken by the President at yesterday's Cabinet meeting followed a warning from M Laurent Fabius, Minister in charge of the budget at the Finance Ministry, that the Government was spending too much.

This year's budget deficit is expected to exceed the target of FFR 95.5bn (£8.7bn). Unofficial forecasts suggest that on current trends the shortfall could reach FFR 200bn or more next year.

This deficit, which does not include the growing gaps in the social security and unemployment benefit systems, would put severe strain on France's finances.

At Mitterrand supported M Fabius and set a ceiling for

the deficit of about 3 per cent of gross domestic product. This entails keeping it to FFR 125bn at the most next year. Some experts believe the deficit will come close to this level in the current year.

The Elysee Palace said M Mitterrand also told his ministers that treating new jobs was to be their sole spending priority in 1983 budget plans, implying that other parts of the government programme might have to be delayed.

He called for rigorous selectivity in allocating new expenditure and for a re-examination of items already in this year's budget.

M Fabius first warned the President about runaway spending in December.

The Government has left itself some leeway in this year's budget, aiming at a deficit of about 2.6 per cent, well within the 3 per cent limit.

Extra spending such as aids for farmers, adjustments to the

RIT agrees £255m deal with Great Northern

By Richard Lambert

GREAT Northern Investment Trust is merging with RIT, the investment trust run by Mr Jacob Rothschild. The move will create an investment group with total assets of about £255m.

In the latest of a series of changes the UK investment trust business, Great Northern announced yesterday that it would exchange its shares for RIT's on a formula based on net asset values on the day when the deal became unconditional.

The stock market value of the enlarged group would be more than £150m.

The new company will be called RIT and Northern. Mr Rothschild will be executive chairman. RIT changed its name from Rothschild Investment Trust in 1950, after a public split between Mr Rothschild and his cousin Mr Evelyn de Rothschild, chairman of N. M. Rothschild and Sons, the London merchant bank.

The deal could end the direct relationship between RIT and Mr Saul Steinberg, the controversial U.S. financier, whose Reliance Group owns a fifth of RIT's shares.

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Creating a sizeable investment. Page 26

£8bn account surplus goes abroad

BY DAVID MARSH

BRITAIN'S record £8bn current account surplus last year was channelled abroad in the form of a sharp increase in private investment overseas.

The Central Statistical Office reported yesterday that portfolio investment on foreign securities markets, mostly by pension funds and other institutions, rose 28 per cent last year to more than £4bn.

Direct investment abroad by companies other than those in the oil industry also climbed to £4bn, up 94 per cent from 1980, boosted by big UK acquisitions in the U.S. in the second half of the year.

The build-up of overseas assets by the private sector last year is in line with the Government's policy of "privatising" Britain's overseas investment holdings.

The investment spurt was made possible by a surge in the current account surplus sharply above expectations. At the time of the 1981 Budget 12 months ago the surplus was forecast at

Telecom to spend more

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

A 50 PER CENT increase in the capital expenditure programme of British Telecom from just under £2bn to almost £3bn in the next three years, has been approved by the Government and is included in the expenditure plans published yesterday.

It is the largest increase for any nationalised industry, whose total UK capital requirements are estimated to go up from £6.5bn in the current year to £8.9bn by 1984-85.

These figures have been based on the Treasury's planning assumptions about inflation and on the industry's own development plans.

The British Telecom figure for expenditure in the UK on fixed assets (excluding working capital), stands at £1.89bn in the current year. Provision is made for it to rise to £2.33bn next year (which is expected to include the private sector Telecom Bond of up to £150m).

In 1983-84 it is budgeted for £2.72bn and in 1984-85 £2.96bn.

This will provide additional capital for British Telecom to modernise its public telecommunications network and introduce new services.

Overseas travel spending rose 21 per cent, with the number of Britons travelling abroad rising 9 per cent, and the average spending increasing 10 per cent. The number of foreign visitors coming to the UK fell.

Earnings from financial services rose 18 per cent to £1.8bn. Britain also achieved a surplus of £1.15bn in payments of interest, profits and dividends against a deficit of £112m in 1980. Earnings were increased by the fall in sterling and a big jump in banks' receipts from currency operations.

UK banks' lending in sterling overseas led to a capital outflow of nearly £3bn last year, up 20 per cent from 1980. Sterling lending by the banks has expanded rapidly since the ending of exchange controls 2½ years ago.

Portfolio investment, although still high, seemed to be stabilising by the fourth quarter, with outflows of £900m down slightly from the quarterly levels of above £1bn for the first six months.

Weather

UK TODAY

SUNNY intervals and showers, wintry on hills. E. S.E., Central England, S. Wales.

Mainly dry; cloud thickening. Strong winds. Max. 9C (48F). Rest of England, N. Wales, Borders, E. Scotland, N. Ireland.

Blustery showers, winds strong to gale force. Max. 9C (48F).

Glasgow, C. Highlands, W. Scotland. Showers, wintry at times. Winds strong to gale. Max. 6C (43F).

N.E. Scotland, Moray, Firth, Orkney, and Shetland. Winds strong to severe gale force, locally storm force. Outlook: Windy, colder generally.

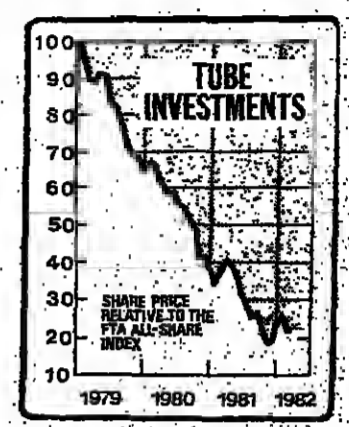
WORLDWIDE

Table with columns: City, Y'day, Y'day, Y'day. Lists weather conditions for various cities like Alacozar, Algiers, Amman, Athens, Bahrain, Barcelona, Beirut, Belgrade, Belfast, Berlin, Bilbao, Birmingham, Blackpool, Bordeaux, Bratislava, Brussels, Bucharest, Budapest, Cardiff, Casablanca, Copenhagen, Chongqing, Cologne, Conakry, Curitiba, Denver, Dublin, Frankfurt, Geneva, Giza, Harare, Helsinki, Hong Kong, Houston, Inverness, Istanbul, Jaipur, Johannesburg, London, Lyons, Madrid, Manila, Mexico City, Miami, Moscow, Mumbai, New Delhi, New York, Ottawa, Paris, Perth, Port of Spain, Porto, Prague, Rome, Santiago, Sao Paulo, Seoul, Singapore, Sydney, Taipei, Tangier, Tokyo, Toronto, Tunis, Valparaiso, Vancouver, Vienna, Warsaw, Zurich.

THE LEX COLUMN

Musical chairs in gilt-edged

Index fell 1.3 to 559.5



The financial markets had some sharp adjustments to make yesterday as a result of the Budget measures, most strikingly in the existing index-linked gilt-edged stocks.

The Bank of England dropped its dealing rates in the bill market far enough both to satisfy the discount houses' aspirations and to suggest official approval for a half point base rate cut.

Continuing money market shortages are keeping the seven-day rate high enough to threaten a bank that moves too far — or even too soon — with active interest rate arbitrage.

Tube Investments has emerged from the first loss-making year in its history with the knowledge that all its divisions are pointing in the right direction.

Tube Investments has emerged from the first loss-making year in its history with the knowledge that all its divisions are pointing in the right direction.

Trading volume in the final quarter has fallen slightly in spite of the reduction in gross margins introduced with Crackdown. So, with stock write-downs still at a high level and a jump in the interest charge, this has fed straight through into a fall of a third in pre-tax profits in the period, excluding property.

But, with the overwhelming majority of its assets tied up in the UK, TI cannot look to a shaky U.S. economy for too much support.

TI has paid a much reduced final dividend, producing a yield of 8.9 per cent at last night's price of 126p.

The failure of Operation Crackdown has convinced Woolworth that it cannot compete head on with the likes of Marks and Spencer. So it is putting its biggest central stores up for sale and retreating out of the city-high streets to concentrate on its smaller sites in the quieter secondary shopping centres.

TURNHAM GREEN Mulliner House 31,960 sq. ft. TO LET AVAILABLE MID 1982. Includes map of the area and contact information for Knight Frank & Rutley.